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Economic Review

April 1981

Canada

CANADA, DEPT. OF FINANCE

Economic Review

April 1981

A general review of recent economic developments
presented by
The Honourable Allan J. MacEachen
Minister of Finance



Department of Finance
Canada

Ministère des Finances
Canada

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Available in Canada through

Authorized Bookstore Agents
and other Bookstores

or by mail from

Canadian Government Publishing Centre
Supply and Services Canada
Hull, Quebec, Canada K1A 0S9

Catalogue No. F1-21/1981E

Canada: \$8.95

ISBN 0-660-10885-2

Other Countries: \$10.75

Price subject to change without notice

Front Cover: NFB Photothèque

Contents

	Tables	iii
	Charts	v
1	Emerging Trends in the World Economy	1
	Recent Economic Developments.....	1
	Medium-Term Issues	7
	Outline of This Year's <i>Review</i>	9
2	The Present Course of the Canadian Economy	11
	Consumer Expenditure	13
	Housing	16
	Business Investment	18
	Business Inventories	21
	Government	21
	Exports	21
	The Labour Market	22
	Labour Supply	24
	Demand for Labour	25
3	Inflation	29
	• International Inflation.....	29
	Domestic Developments.....	32
	Shares of Net National Income	36
4	Sectoral and Regional Developments	41
	Agriculture	44
	Fishing.....	44
	Forestry	45
	Mining	45
	Manufacturing	46
	Construction.....	49
	Utilities.....	49
	Transportation, Storage and Communication	49
	• Trade	50
	Finance, Insurance and Real Estate Services	50
	Community, Business and Personal Services	50
	Public Administration and Defence.....	50
	Atlantic Region.....	50
	Quebec	52
	Ontario	53
	Prairie Region.....	54
	British Columbia.....	54
5	Canada's Balance of International Payments	57
	Current Account	58
	Merchandise Trade	59
	Services.....	65
	Net Transfer Receipts	66
	Capital Account, Exchange Rate and Official International Reserves	66
	Errors and Omissions	69

6	The Government Sector	71
	Federal Government	71
	Debt Management	76
	Provincial and Local Governments	78
	Canada and Quebec Pension Plans	81
	The Total Government Sector	83
	Analysis of Budget Balances	84
	International Comparisons	88
7	Financial Developments	89
	Introduction	89
	Monetary Policy	89
	Interest Rate Developments	90
	The Interest Rate Rise — Mid-1979 to Early 1980	92
	The Interest Rate Decline — April to July 1980	93
	The Return to High Interest Rates	94
	Long-Term Interest Rates	94
	Financial Markets in 1980	95
	Non-Financial Business Sector	95
	Securities Market	97
	Mortgage Market	98
	Consumer Credit Market	99
	Financial Institutions	99
	Chartered Banks	99
	Other Financial Institutions	101

Tables

1.1	Growth of Real GNP/GDP in the OECD Countries	1
1.2	Unemployment Rates for Selected OECD Countries	3
1.3	Consumer Price Inflation in the OECD Countries	4
1.4	Current Account Position of the Non-Socialist Economies	5
1.5	Indexes of Real Effective Exchange Rates for Selected OECD Countries	6
1.6	Interest Rates for the Large OECD Countries	8
2.1	Summary of Real Demand	13
2.2	Profile of Canadian Households, 1975 and 1980	15
2.3	Labour Force Developments	23
2.4	Growth in Employment and Production During Expansion and Contraction Phases of the Economic Cycle	27
3.1	Summary of Inflation and Related Factors, Major OECD Countries	31
3.2	Recent Inflation in Canada and Related Factors	34
4.1	Main Economic Indicators by Sector: Real Domestic Product, Employment, New Capital Expenditures (Current Dollars)	42
4.2	Supply and Disposition of Crude Oil and Natural Gas	45
4.3	Main Economic Indicators by Region: Labour Market, Current Dollar New Capital Expenditures, Other Indicators	51
5.1	Summary of the Current Account of Canada's Balance of International Pay- ments	57
5.2	The Trade Balance by Commodity Group and Country Group	60
5.3	Canada's Merchandise Exports (Balance of payments basis)	62
5.4	Canada's Merchandise Imports (Balance of payments basis)	63
5.5	Trade in Motor Vehicles and Parts (Customs basis)	64
5.6	Canada's Trade in Energy-Related Products	65
5.7	Canada's Balance of International Payments	67
6.1	Federal Government Revenue, Expenditure and Net Position, National Income and Expenditure Accounts Basis	72
6.2	Federal Government Revenue, National Income and Expenditure Accounts Basis	72
6.3	Federal Government Expenditure, National Income and Expenditure Accounts Basis	74
6.4	Federal Government Financial Transactions, Extended National Accounts Pres- entation	75
6.5	Outstanding Government of Canada Direct and Guaranteed Securities Denomi- nated in Canadian Dollars	76
6.6	Non-Bank General Public Holdings of Government of Canada Direct and Guaranteed Securities Denominated in Canadian Dollars	78
6.7	Provincial-Local Government (Including Hospitals) Revenue, Expenditure and Net Position, National Income and Expenditure Accounts Basis	79
6.8	Provincial-Local Government (Including Hospitals) Revenue, National Income and Expenditure Accounts Basis	80
6.9	Provincial-Local Government (Including Hospitals) Expenditure, National Income and Expenditure Accounts Basis	81
6.10	Provincial-Local Government (Including Hospitals) and Enterprise Borrowing Requirements and Financing, Financial Flow Accounts Basis	82
6.11	Canada and Quebec Pension Plans, Revenue, Expenditure and Net Position, National Income and Expenditure Accounts Basis	83
6.12	Total Government Revenue, Expenditure and Net Position, National Income and Expenditure Accounts Basis	85
6.13	Total Government Revenue, National Income and Expenditure Accounts Basis ..	85

6.14	Total Government Expenditure, National Income and Expenditure Accounts Basis	86
6.15	Government Budget Balances: Actual and Adjusted for the Effect of Inflation on the Real Value of Net Public Debt, National Income and Expenditure Accounts Basis	87
6.16	An International Comparison of Total Government Budget Balances as Percentages of Gross Domestic Product or Gross National Product.....	88
6.17	An International Comparison of Central Government Budget Balances as Percentages of Gross Domestic Product or Gross National Product.....	88
7.1	Credit Expansion	96
7.2	Credit Expansion by Instrument	96
7.3	Private Non-Financial Business Borrowing.....	97
7.4	Supply of Securities and Distribution of Holdings	98
7.5	Mortgages.....	99
7.6	Loans to Persons.....	100
7.7	Chartered Bank Asset Growth.....	101
7.8	Assets of Non-Bank Deposit-Accepting Institutions.....	102
7.9	Assets of Insurance and Pension Institutions	102

Charts

1.1	Real GNP/GDP Growth in OECD Countries	2
2.1	Production, Employment and Productivity.....	12
2.2	Real Consumer Income and Expenditure Per Capita	14
2.3	Housing Starts	17
2.4	Real Business Inventories and Sales	20
2.5	Real Merchandise Exports	22
2.6	Participation and Unemployment Rates.....	26
3.1	Inflation in Canada.....	35
3.2	Shares of Net National Income at Factor Cost	37
4.1	Real Domestic Product	42
4.2	Regional Unemployment Rates	47
5.1	Balance of Payments Current Account	58
5.2	Travel Between Canada and Other Countries	61
5.3	Price Indexes for the Canadian Dollar	68
7.1	Narrowly Defined Money Supply	90
7.2	Selected Short-Term Interest Rates	91
7.3	Selected Long-Term Interest Rates	93
7.4	Yield Curves, Government of Canada Bonds	95

1. Emerging Trends in the World Economy

Recent Economic Developments

The world economy slid into recession in 1980. Three of the seven largest member countries of the Organization for Economic Cooperation and Development (OECD) – the United States, the United Kingdom and Canada – experienced no growth or absolute declines in real economic activity and three of the other four major industrial economies – Japan, West Germany and France – expanded at rates which fell well short of their historical norms. Only in Italy did growth exceed the 1968-78 average. Taken together, the seven major OECD countries recorded only a 1.3-per-cent increase in real gross national product in 1980 compared with

Table 1.1
Growth of Real GNP/GDP in the OECD Countries

	1979 share in total OECD	Average 1968 to 1978	1978	1979	1980 ⁽¹⁾
		(per cent)			
United States	34.7	3.1	4.8	3.2	-0.1
Japan	14.8	6.6	5.9	5.9	5.0
Germany	11.2	3.5	3.3	4.5	1.7
France	8.4	4.4	3.6	3.3	1.7
United Kingdom	5.9	2.3	2.4	0.7	-1.6
Italy	4.7	3.4	2.6	5.0	3.7
Canada	3.3	4.4	3.6	2.8	0.1
Seven major countries	83.0	3.7	4.4	3.8	1.3
Spain	2.9	5.0	2.7	0.8	0.5
Netherlands	2.2	3.9	2.5	2.3	0.2
Australia	1.8	3.7	1.7	4.4	2.2
Sweden	1.6	2.1	2.8	3.8	2.2
Belgium	1.6	4.0	3.1	2.4	1.5
Switzerland	1.4	1.7	0.3	2.2	2.5
Austria	1.0	4.4	1.0	5.1	2.5
Denmark	1.0	3.2	1.3	3.5	-0.5
Turkey	0.8	6.3	3.0	0.6	-0.5
Norway	0.7	4.3	3.3	3.2	3.0
Finland	0.6	4.0	2.3	7.2	6.0
Greece	0.6	5.9	6.2	3.8	0.7
Portugal	0.3	4.8	3.2	4.8	4.0
New Zealand	0.3	2.9	3.0	-0.4	1.2
Ireland	0.2	4.3	6.3	1.9	1.5
Iceland	0.0	5.6	5.2	2.3	1.2
Sixteen smaller countries	17.0	3.9	2.4	2.7	1.5
Total OECD	100.0	3.8	3.9	3.6	1.4

⁽¹⁾ Forecast or preliminary estimate.

Source: OECD, *Economic Outlook*, No. 28, December 1980, updated in some cases with more recent information.

Chart 1.1

Real GNP/GDP Growth in OECD Countries

(Annual per cent change)



Source: OECD, *Main Economic Indicators*, monthly.

Table 1.2

Unemployment Rates for Selected OECD Countries

	1973	1974	1975	1976	1977	1978	1979	1980 ⁽¹⁾
	(per cent of the labour force)							
United States	4.7	5.4	8.3	7.5	6.9	5.9	5.7	6.9
Japan	1.3	1.4	1.9	2.0	2.0	2.2	2.1	2.0
Germany	0.9	1.6	3.7	3.7	3.7	3.5	3.2	3.2
France	2.6	2.8	4.1	4.4	4.7	5.1	5.9	6.2
United Kingdom	3.0	2.9	3.9	5.5	6.1	6.1	5.8	6.9
Italy	6.2	5.3	5.8	6.6	7.0	7.1	7.5	7.5
Canada	5.5	5.3	6.9	7.1	8.0	8.3	7.5	7.5
Seven major countries	3.4	3.7	5.4	5.4	5.4	5.1	5.0	5.4
Spain	2.7	2.8	3.9	5.0	5.5	7.3	9.0	11.0
Australia	2.3	2.6	4.8	4.7	5.6	6.4	6.1	6.1
Sweden	2.5	2.0	1.6	1.6	1.8	2.2	2.1	2.0
Norway	1.5	1.5	2.3	1.8	1.5	1.8	2.0	1.7
Finland	2.3	1.7	2.2	3.9	6.0	7.4	6.0	4.7
Average of above 12 countries	3.3	3.5	5.2	5.3	5.3	5.2	5.1	5.6

⁽¹⁾ Forecast or preliminary estimate.

Source: OECD, *Economic Outlook*, No. 28, December 1980, updated in some cases with more recent information. The rates in this table are standardized to international definitions by the OECD.

3.8 per cent in 1979. The performance varied among the 16 smaller member nations comprising the remainder of the OECD area, with Finland, Sweden and Switzerland growing at above average rates, Denmark and Turkey undergoing marginal output declines and the other smaller economies expanding at below average rates (see Table 1.1). The North American economies were the first to slow down, followed closely by the United Kingdom. Around the middle of the year the economies of Germany, France, Italy, the Netherlands and Belgium also turned down. Steep increases in interest rates accompanied the sharp downturn in April. Rates fell over the summer months and the North American economies began to recover, but by the year's end interest rates had again risen sharply and the short-term outlook was clouded.

The generally weak output conditions in 1980 had their roots in the doubling of crude petroleum prices between 1978 and 1980, the tight stance of fiscal and monetary policy adopted in several of the major industrial countries and the cyclical situation, especially in the U.S. The second oil price shock of 1979 and 1980 was in many ways similar to the earlier one in the 1973-74 period. According to estimates by the OECD, it reduced real growth in the OECD area by three percentage points, raised the area's consumer price inflation rate by five percentage points and reduced the current account balance by about U.S. \$90 billion compared to what would otherwise have prevailed in 1980. In the 1973-74 episode several countries including Canada attempted to compensate for the deflationary effects of the oil price shock by moving to less restrictive fiscal and monetary policies. While these policies met with some success in dampening the deflationary impact, they had significant costs in terms of inflation and the balance of international payments. In the case of the more recent oil price shock the policy stance has been more uniformly restrictive among the OECD countries, as governments have tried to avoid accommodating any further surge in the wage-price spiral. The combination of the contractionary influence of the oil price shock and these anti-inflationary fiscal and monetary policies led to recession in the industrial economies in 1980.

Table 1.3

Consumer Price Inflation in the OECD Countries

	1973	1974	1975	1976	1977	1978	1979	1980 ⁽¹⁾
	(per cent)							
United States	6.2	11.0	9.1	5.8	6.5	7.7	11.3	13.5
Japan	11.7	24.5	11.8	9.3	8.1	3.8	3.6	8.0
Germany	6.9	7.0	6.0	4.5	3.7	2.7	4.1	5.5
France	7.3	13.7	11.8	9.6	9.4	9.1	10.8	13.6
United Kingdom	9.2	16.0	24.2	16.5	15.8	8.3	13.4	18.0
Italy	10.8	19.1	17.0	16.8	18.4	12.1	14.8	21.2
Canada	7.6	10.8	10.8	7.5	8.0	9.0	9.1	10.1
Seven major countries	7.5	13.3	10.9	7.9	8.1	7.0	9.3	12.1
Spain	11.4	15.7	16.9	17.7	24.5	19.8	15.7	15.4
Netherlands	8.0	9.6	10.2	8.8	6.4	4.1	4.2	6.5
Australia	9.5	15.1	15.1	13.5	12.3	7.9	9.1	10.2
Sweden	6.7	9.9	9.8	10.3	11.4	10.0	7.2	13.8
Belgium	7.0	12.7	12.8	9.2	7.1	4.5	4.5	6.7
Switzerland	8.7	9.8	6.7	1.7	1.3	1.1	3.6	4.0
Austria	7.6	9.5	8.4	7.3	5.5	3.6	3.7	6.3
Denmark	9.3	15.3	9.6	9.0	11.1	10.0	9.6	13.1
Turkey	14.0	23.9	21.2	17.4	26.0	61.9	63.5	110.1
Norway	7.5	9.4	11.7	9.1	9.1	8.1	4.8	11.1
Finland	10.7	16.9	17.9	14.4	12.2	7.7	7.5	11.4
Greece	15.5	26.9	13.4	13.3	12.1	12.6	19.0	24.7
Portugal	11.5	29.2	20.4	19.3	27.2	22.5	23.7	16.5
New Zealand	8.2	11.1	14.7	16.9	14.3	12.0	13.8	17.1
Ireland	11.4	17.0	20.9	18.0	13.6	7.6	13.3	18.2
Iceland	20.6	42.9	49.1	33.0	29.9	44.9	44.1	57.3
Sixteen smaller countries	9.0	14.3	12.9	11.4	12.1	11.5	11.8	16.8
Average OECD	7.8	13.5	11.3	8.6	8.9	7.9	9.8	12.8

⁽¹⁾ Forecast or preliminary estimate.

Source: OECD, *Economic Outlook*, No. 28, December 1980, updated in some cases with more recent information.

Unemployment rates increased in many of the OECD countries during 1980, as the recession caused employment growth to slow. The most substantial increases in unemployment among the seven largest OECD countries were in the United States and the United Kingdom, the two economies facing output declines. There was a small unemployment rate increase in France and a marginal decrease in Japan, while in Germany, Italy and Canada the rates remained unchanged from 1979 (Table 1.2). For the seven major countries as a group, unemployment increased about half of one percentage point to 5.4 per cent of the aggregate labour force. While employment growth did slow in response to the production slump, its weakening was relatively modest in most countries. The slow pace of productivity growth that had already prevailed throughout the OECD area for several years was thus further retarded by the cyclical situation. Most of the major industrialized countries experienced productivity growth rates in 1980 that were two to four percentage points lower than their historical averages. These shortfalls meant that unit labour costs rose sharply, despite the relative moderation in wage inflation through much of the OECD area.

The oil price increases in 1979 and 1980 gave rise to a new burst of inflation in the OECD area. Of the 23 OECD countries covered in Table 1.3, all but eight experienced higher consumer price inflation rates in 1979 than in 1978 and all but

Table 1.4

Current Account Position of the Non-Socialist Economies

	1973	1974	1975	1976	1977	1978	1979	1980 ⁽¹⁾
	(U.S. \$ billions)							
United States	7.1	2.1	18.3	4.6	-14.1	-13.9	-0.8	0.1
Japan	-0.1	-4.7	-0.7	3.7	10.9	16.5	-8.8	-10.8
Germany	4.5	11.0	3.8	4.1	4.7	9.6	-5.9	-17.3
France	-0.7	-6.6	-0.1	-5.7	-3.1	4.0	1.2	-7.7
United Kingdom	-2.5	-8.0	-3.4	-1.9	-0.5	1.3	-3.7	4.5
Italy.....	-2.4	-8.0	-0.6	-2.7	2.5	6.3	5.3	-5.2
Canada	0.1	-1.5	-4.7	-3.8	-3.9	-4.3	-4.4	-1.3
Seven major countries	6.0	-15.7	12.6	-1.7	-3.5	19.5	-17.1	-37.7
Spain	0.6	-3.2	-3.5	-4.3	-2.5	1.6	1.2	-4.5
Netherlands.....	2.4	2.2	2.0	2.7	0.6	-1.4	-2.3	-2.9
Australia	0.5	-2.6	-0.6	-1.5	-2.6	-4.0	-2.0	-1.7
Sweden	1.2	-1.0	-1.6	-2.1	-2.1	-0.3	-2.6	-5.1
Belgium	1.2	0.6	0.3	0.0	-0.7	-0.9	-3.8	-6.0
Switzerland	0.3	0.2	2.6	3.5	3.4	4.4	2.4	-0.8
Austria	-0.4	-0.5	-0.3	-1.5	-3.0	-1.4	-1.8	-4.2
Denmark	-0.5	-0.9	-0.5	-1.9	-1.7	-1.5	-3.0	-2.9
Turkey	0.6	-0.6	-1.8	-2.2	-3.4	-1.4	-1.3	-2.5
Norway	-0.3	-1.1	-2.4	-3.7	-5.0	-2.1	-1.2	0.7
Finland	-0.4	-1.2	-2.2	-1.2	-0.1	0.6	-0.2	-1.8
Greece	-1.2	-1.2	-1.1	-1.1	-1.1	-1.0	-1.9	-2.1
Portugal.....	0.4	-0.8	-0.8	-1.3	-1.5	-0.8	0.1	-0.7
New Zealand.....	0.1	-1.6	-1.3	-1.0	-0.9	-0.5	-0.8	-1.2
Ireland	-0.2	-0.7	0.0	-0.3	-0.3	-0.3	-1.3	-0.9
Iceland.....	0.0	-0.2	-0.1	0.0	0.0	0.0	0.0	-0.1
Sixteen smaller OECD countries	4.6	-12.5	-11.3	-16.3	-20.9	-8.7	-18.4	-36.8
Total OECD.....	10.6	-28.8	1.3	-18.0	-24.4	10.8	-35.5	-74.5
Total OPEC	7.7	59.5	27.2	36.5	29.0	4.5	68.0	116.0
Non-oil less- developed countries.....	-7.8	-25.9	-30.0	-17.5	-12.5	-22.5	-36.0	-51.0

⁽¹⁾ Forecast or preliminary estimate.

Source: OECD, *Economic Outlook*, No. 28, December 1980, updated in some cases with more recent information. Columns may not add exactly due to rounding.

two had higher rates again in 1980 than in 1979. Nevertheless, while the oil price shock caused inflation rates to move upward, they have generally risen by considerably less than was the case after the first oil price shock. Between 1973 and 1974 the average OECD inflation rate rose almost six percentage points, from 7.8 per cent to 13.5 per cent, while in the present case the rate has advanced only slightly more than five percentage points so far, from 7.9 per cent in 1978 to 9.8 per cent in 1979 and to 12.8 per cent in 1980. This has been partly attributable to the more moderate wage response this time around, as labour has shared in the absorption of the real income decline implicit in the OECD area's terms-of-trade loss vis-à-vis the Organization of Petroleum Exporting Countries (OPEC) group. After the 1973-74 oil price shock, wages increased very rapidly in several of the major OECD economies and this led to substantial second-round inflation in following years. The more moderate wage response to the recent oil price shock has given some cause for optimism that the current wave of increased inflation will be of shorter duration.

The recent round of oil price increases has also brought about a major balance of payments realignment (Table 1.4). From a relatively small surplus of about U.S. \$5 billion in 1978, the OPEC area's current account position improved dramatically, with surpluses of about U.S. \$68 billion in 1979 and U.S. \$116 billion in 1980. Corresponding to these oil-based surpluses were widening current account deficits both in the OECD countries and among the less-developed countries lacking large energy resources of their own. The U.S. \$75 billion deficit in the OECD area in 1980 was split fairly evenly between the seven major countries on the one hand and the remaining smaller countries on the other, while the non-oil less-developed nations saw their combined current account deficit more than double from its 1978 level to about U.S. \$51 billion in 1980. This huge overall swing to greater deficit in the non-OPEC current account position was essentially a result of the terms-of-trade shift that was implicit in the oil price increases of 1979 and 1980. The volume component of the OECD area's current account position improved in 1980, since imports fell and exports continued to expand.

The international monetary system was relatively stable through 1980, despite the important shifts in relative balance of payments positions. The U.S. dollar strengthened considerably in March and April, when interest rates were high, and then dropped back to the range that had prevailed at the beginning of the year. By the year's end the dollar had returned to near its March-April level, buttressed again by exceptionally high interest rates. The Japanese yen sustained a strong appreciation through the course of the year, as large capital inflows more than offset the widening current account deficit. The pound also moved upward during the year, reflecting the high interest rates in the United Kingdom and the current account strength that was largely due to North Sea oil. The deutschemark, which

Table 1.5

**Indexes of Real Effective Exchange Rates for Selected OECD Countries
(March 1973 = 100)**

	1976	1977	1978	1979	1980	1980			
						Mar.	June	Sept.	Dec.
United States	100.3	100.1	95.4	95.6	97.8	100.2	95.7	95.4	99.7
Japan	88.3	93.7	107.5	96.2	93.9	86.5	97.8	98.6	100.8
Germany	101.0	102.7	103.4	104.2	101.2	102.1	101.8	100.0	98.7
France	100.1	96.6	97.3	99.2	101.0	100.4	100.4	102.3	100.3
United Kingdom	96.7	101.7	106.5	118.9	137.1	133.0	137.3	142.3	146.2
Italy	92.7	92.4	90.9	90.7	92.0	92.5	92.9	93.2	93.4
Canada	106.7	99.8	92.9	92.9	91.6	92.2	91.9	91.6	89.8
Spain	105.2	101.4	97.3	109.4	106.9	111.5	105.8	103.2	102.3
Netherlands	101.9	104.0	103.9	100.5	97.9	98.3	97.2	96.8	93.3
Australia	101.8	92.0	87.3	86.1	87.9	87.5	86.0	88.2	90.8
Sweden	109.1	105.2	96.7	99.4	101.3	101.4	100.3	101.0	101.2
Belgium	98.0	100.0	99.9	97.3	92.2	93.0	93.3	91.9	90.3
Switzerland	111.0	105.7	122.4	115.7	105.5	104.0	105.9	104.6	102.5
Austria	106.2	109.6	109.7	108.5	108.7	109.4	109.7	109.5	105.9
Denmark	96.2	97.5	103.7	101.8	93.7	94.2	94.3	94.1	92.3
Norway	99.1	99.8	95.6	90.5	91.7	93.2	91.7	92.6	92.8

Source: Morgan Guaranty Trust Company of New York, *World Financial Markets*, February 1981. "The index of effective exchange rate for a currency is a measure of that currency's trade-weighted average appreciation or depreciation vis-à-vis the currencies of 15 other major countries. The exchange rates used in the construction of this index are the averages of daily noon spot exchange rates in New York for months and for weeks ending on dates shown. The trade weights used are based on 1976 bilateral trade in manufactures. The index of the real effective exchange rate is the index of the effective exchange rate adjusted for inflation differentials which are measured by wholesale prices of non-food manufactures. Exchange rates and trade weights used in the construction of this index are the same as those used for effective exchange rate indices. Annual figures are averages of months."

was one of the stronger currencies prior to 1980, was weak through much of the year. The increased oil-cost burden has been particularly onerous in Germany, relative to economies with more energy resources such as the U.S., the U.K., and Canada, and there were substantial capital outflows in 1980. Most of the other OECD-area currencies were fairly stable through 1980 (Table 1.5).

The general thrust of economic policy among the OECD countries in 1980 was directed toward reducing inflation. Monetary policies were focussed on containing the growth of liquidity within established target ranges and, in several countries, on easing downward pressures on exchange rates. In the United States interest rates rose to unprecedented levels as the Federal Reserve sought to keep the monetary aggregates on target (Table 1.6). In Germany, on the other hand, the Bundesbank gave substantial weight to exchange rate stabilization as money supply growth was slow relative to the target but the widening current account deficit and increased capital outflows led to major imbalances in the market for deutsche-marks. In Japan, where the yen was appreciating strongly and the inflationary impulse from the oil price shock had been kept well in check, monetary policy was left free to help sustain domestic demand. British policy centered on slowing monetary expansion, although interest rates were reduced in the second half of the year in view of the pound's appreciation. Canada and Italy, like Germany, faced downward market pressures on their currencies and monetary policies gave substantial weight to exchange rate stabilization. Among five of the seven largest OECD countries (U.S., Japan, Germany, Italy and Canada), official discount rates were higher at the end of 1980 than they had been at the close of 1979 (Table 1.6).

Fiscal policies were also generally unaccommodating during 1980 as the industrialized economies attempted to minimize the inflationary impact of the oil price shock. In order to reduce their operating deficits, several governments restrained expenditures and a few raised taxes. Policies increasingly sought to enhance growth in private investment and productivity, while the stimulation of consumer and housing demand was a considerably lower priority for many governments.

Medium-Term Issues

The economic situation of the last few years has differed considerably from the environment of the 1960s and early 1970s. The trend rate of economic growth has slowed, inflation has emerged as a major persistent problem and there have been important shifts in the patterns of world trade. Rising relative prices for a number of key commodities — oil and gas, grains and several metals and minerals — have implied wide-ranging changes in the world distribution of income and have necessitated profound readjustments to the mix of output and the methods of production. Public attitudes and expectations have been slow to adapt to these new circumstances and the policy response to them has also been gradual. As the world entered the 1980s, however, there was a growing realization among the major industrialized countries that conditions had changed in several fundamental ways and that new economic strategies were required.

The 1960s and early 1970s were years of virtually uninterrupted growth and prosperity in the world economy. Since 1973, however, there have been two wide-reaching recessions and the underlying growth potential of the industrialized economies has been sharply reduced. World population expansion has led to some developing resource shortages and these in turn have caused price shocks and increased cyclical instability. Environmental protection has also become a larger and more urgent issue. Productivity growth has slowed and living standards have not improved at the rapid rate enjoyed in earlier years. In short there has been a reluctant but increasing acceptance of the view that the economic growth aspirations of the 1960s and early 1970s are no longer achievable and that a significant scaling-down of performance targets is needed for the 1980s.

Table 1.6
Interest Rates for the Large OECD Countries

	1977	1978	1979	1980			
	Dec.	Dec.	Dec.	Mar.	June	Sept.	Dec.
	(per cent per annum)						
United States							
Central bank discount rate	6.00	9.50	12.00	16.00	11.00	11.00	13.00
Representative money-market rate	6.84	10.57	13.70	18.44	8.03	12.24	17.62
Commercial bank prime rate	7.75	11.75	15.25	19.50	11.50	13.00	21.50
Corporate bond rate	8.30	9.25	10.75	13.75	10.63	12.88	13.00
Japan							
Central bank discount rate	4.25	3.50	6.25	9.00	9.00	8.25	7.25
Representative money-market rate	5.89	4.64	8.01	12.68	10.87	11.48	9.80
Commercial bank prime rate	5.47	4.50	6.51	7.70	9.27	8.99	8.30
Corporate bond rate	6.68	6.94	8.34	8.75	8.23	8.44	8.60
Germany							
Central bank discount rate	3.00	3.00	6.00	7.00	7.50	7.50	7.50
Representative money-market rate	3.60	3.70	8.70	9.80	9.95	9.10	10.20
Commercial bank prime rate	6.00	5.50	9.75	10.50	11.50	11.50	11.50
Corporate bond rate	5.92	6.80	8.20	9.60	8.90	8.40	9.50
France							
Central bank discount rate	9.50	9.50	9.50	9.50	9.50	9.50	9.50
Representative money-market rate	9.19	6.44	12.62	13.69	12.25	12.31	11.56
Commercial bank prime rate	11.35	10.95	13.65	14.65	14.15	13.40	13.40
Corporate bond rate	12.09	10.27	12.92	14.80	14.16	14.03	15.23
United Kingdom							
Central bank discount rate	7.00	12.50	17.00	17.00	17.00	16.00	14.00
Representative money-market rate	6.50	12.50	17.00	18.12	17.00	15.87	14.75
Commercial bank prime rate	8.00	13.50	18.00	19.00	17.50	17.50	15.00
Corporate bond rate	11.88	13.53	14.96	14.99	13.98	13.78	14.21
Italy							
Central bank discount rate	11.50	10.50	15.00	15.00	15.00	16.50	16.50
Representative money-market rate	11.75	11.37	17.12	17.87	17.25	18.75	17.37
Commercial bank prime rate	16.00	15.00	19.50	19.50	19.50	19.50	20.50
Corporate bond rate	10.71	10.12	10.22	11.12	14.12	13.31	12.99
Canada							
Central bank discount rate	7.50	10.75	14.00	14.79	11.83	11.02	17.26
Representative money-market rate	7.25	10.62	14.15	16.00	11.50	11.10	17.50
Commercial bank prime rate	8.25	11.50	15.00	16.50	13.25	12.25	18.25
Corporate bond rate	9.71	10.34	12.07	13.90	12.14	13.74	13.62

Source: Morgan Guaranty Trust Company of New York, *World Financial Markets*, February 1981.

Inflation emerged in the 1970s as perhaps the greatest single economic problem in the world economy. While the causes were numerous and complex, in a very general sense inflation was the almost inevitable outgrowth of the enormous international stresses during this period. The strains caused by resource shortages, which were in turn the result of growing population, political actions and the whims of climate, were initially quite ill-understood, by both individuals and governments. There were widespread efforts to maintain the stronger pace of real income growth experienced in earlier years. As these attempts were essentially incompatible with the real constraints of the situation, they resulted in both higher inflation and

increased unemployment. It took several years before it began to become clear that circumstances had changed permanently and that the norms of the 1960s no longer applied.

Over time it became increasingly evident that a more medium-term approach was required in the effort to reduce inflation. The tools of short-term demand management had proved inadequate for the task and the focus was shifted more and more toward policies of structural change and persistent non-accommodation — a term which embraces a range of policies designed to permit large upward adjustments in certain *relative* prices to occur without at the same time allowing an increase in inflation. For example, several countries adopted monetary growth targets and announced their intention to permit wider fluctuations in interest and exchange rates. Policies of fiscal stimulus became rarer and more selective and governments increasingly sought to emphasize supply-side initiatives to promote greater productivity. Expenditure restraint, tax cuts, deregulation and energy conservation and development became main policy thrusts. Their premise was that in a world of ever more frequent economic shocks, inflation could only be countered by creating greater wage-price flexibility. The latter in turn could best be achieved by reducing the role of governments in the economy and fostering more competitive factor and product markets.

World trade patterns have also evolved considerably in the changed economic circumstances of the 1970s. The advent of flexible exchange rates greatly facilitated the adjustments. Patterns of trade specialization shifted as countries responded to movements in relative prices. Nations with substantial energy resources of their own tended to increase their net exports of more energy-intensive goods while countries without domestic sources of energy supply typically altered the composition of their net exports in favour of less energy-intensive products. Differential changes in labour costs, capital accumulation and the level of technological know-how among nations also led to realignments in the structure of trade.

The growth of world trade over the postwar period has greatly heightened interdependence among industrial nations. This has meant that economic swings are now more directly transmitted from country to country. When industrial production fell in North America in 1954, 1958 and 1970, for example, most of the other major OECD economies continued to expand. When output again declined in North America in the 1974-75 period and in 1980, however, the recession was much more widespread. The greatly increased integration of financial markets, improved means of transportation and communication and growing specialization in world trade have made it more possible for shocks to real demand and inflation to spread rapidly throughout the world economy.

Outline of This Year's Review

The remainder of this *Review* consists of six chapters dealing with the main aspects of Canadian economic activity. The reference tables following the text provide additional historical information.

Chapter 2 reviews recent developments in aggregate demand and employment. The first part of the chapter discusses the course of gross national expenditure, focussing on four major groups: households, businesses, governments and non-residents. The incomes and spending behaviour of these sectors in recent years are examined in some detail. The second part of the chapter considers Canadian labour market developments in 1980. The important trends in employment and labour force participation are analyzed by industry and by age/sex group. The recent unemployment record is also examined.

Inflation is the subject of Chapter 3. The discussion begins with an overview of the strong upsurge in prices and costs that occurred throughout the industrial world in

1979 and 1980. The main sources of this inflation are identified and the differential impact on the economies of the OECD is discussed. The second part of the chapter is concerned with inflation in Canada. Here the analysis turns on the distinction between the more transitory and the more lasting influences on inflation, and the conclusion is that Canada's underlying inflation rate increased perceptibly in 1980. The chapter closes with a discussion of recent trends in the distribution of national income.

The fourth chapter of the *Review* is concerned with the regional and sectoral dimensions of recent economic developments. The first part of the chapter examines the main trends which have emerged in the major industries of Canada's economy, including agriculture, fishing, forestry, mining, manufacturing, construction, utilities, transportation, storage, communication, trade, finance, insurance, real estate, community, business and personal services, public administration and defence. The latter part of the chapter briefly reviews the regional differences in Canada's economic development.

Chapter 5 deals with Canada's balance of international payments. The current account picture is analyzed in some detail. Of particular interest is the strong increase in Canada's exports to overseas countries in 1980. Inflows and outflows of capital are discussed in the last part of the chapter, together with movements in the exchange value of the Canadian dollar and Canada's official international reserves.

Developments in the government sector are the focus in Chapter 6. This chapter begins with an account of recent changes to the government fiscal position. The main items of government revenues and expenditures are discussed for the three levels of government. Following this, the government budget balance is reviewed with a special analysis of the roles of the cyclical situation and the impact of higher rates of inflation on public debt interest payments. The chapter closes with a brief international comparison of government budget data for several OECD countries.

Financial developments are reviewed in Chapter 7. The main theme is the volatile movement of interest rates over the course of the year. The Bank of Canada's policy of gradually slowing the rate of growth of the money stock is reviewed first, and this is followed by an account of the sharp movements in interest rates during the year. The remainder of Chapter 7 is concerned with recent trends in credit demand in Canada.

2. The Present Course of the Canadian Economy

Canada's real gross national product was essentially unchanged in 1980 from the level achieved in 1979 (Chart 2.1). The economic recession which occurred in the first half was offset in annual terms by a rebound in the second half. The year of stagnation followed a modest four-year expansion between 1976 and 1979, in which GNP grew at a 3.5-per-cent average annual rate. Despite the stable level of real output in 1980, the number of persons employed in Canada continued to increase in step with the labour force. Employment rose 2.8 per cent, matching the average annual gain during the previous four years, and the unemployment rate remained at 7.5 per cent. GNP per employed person, a rough measure of aggregate productivity, thus dropped almost 3 per cent – the largest single-year decline in the postwar period.

Several important forces lay behind the cyclical slowdown in 1980. Foremost were the U.S. recession and inflation, which resulted in a reduced volume of Canadian exports to that country and higher interest rates in both countries. Another factor was the non-accommodating stance of fiscal and monetary policy in Canada, as the federal government sought to slow inflation and limit the increase in the fiscal deficit. The slower growth of real income experienced by Canadians since 1977 was the third key element in the downturn. Real disposable income per capita had risen by 2.8 per cent per year in the postwar period prior to 1974, reflecting similar average productivity gains. Beginning around 1974, however, for reasons as yet only partly understood, productivity growth slowed quite markedly. While this necessarily implied a more modest trend for real income increases, per capita income gains in fact continued to run in excess of the previous 2.8-per-cent norm through the years 1974-76. The inevitable correction that occurred between 1977 and 1980, when real income per capita grew only 1.4 per cent per year, eventually was accompanied by reduced growth in consumer expenditure and fewer housing starts. This in turn had a magnified short-run impact on the economy as a whole, as businesses first experienced unexpected increases in their inventories and then cut back production rates to liquidate excess stocks.

Although total real output stagnated in 1980 the composition of demand continued to shift in a way which may be viewed as quite favourable for medium-term prospects. The substantial decline in real wages and the depreciation of the Canadian dollar since 1976 were the main reasons for the shift. The positive developments included increases in investment spending for new plant and equipment and greater overseas demand for Canadian exports, together with a substantial decline in domestic imports. They also encompassed further expansion in the services sector of the economy and it was largely this growth that provided the quarter million new jobs for Canadians in 1980. Fully 59.2 per cent of the country's working-age population was employed in 1980, the highest such proportion on record. The remainder of this chapter provides a somewhat more detailed analysis of these divergent currents within aggregate demand and the labour market.

Chart 2.1

Production, Employment and Productivity

(Annual per cent change)



Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; Statistics Canada, *The Labour Force*, monthly, cat. 71-001.

Consumer Expenditure Real consumer spending recorded only modest net growth in 1980. Real outlays for more essential goods and services rose more rapidly than expenditure on discretionary items. This reflected consumer adjustment to falling real wages, high interest rates and shifting relative prices. Real wages per employed person fell for the third straight year in 1980 and total real personal income grew only about 1 per cent. Real income per capita fell 0.1 per cent and the savings rate remained

Table 2.1
Summary of Real Demand

	Share of total demand				Percentage change			
	Average 1970-80	1978	1979	1980	Average 1970-80	1978	1979	1980
	(per cent)							
Consumer expenditure	48.6	49.6	49.0	49.5	4.5	3.0	1.9	0.6
Food, beverages, tobacco	9.6	9.1	8.9	9.0	3.0	0.1	0.5	0.2
Clothing, footwear	4.0	4.3	4.2	4.3	5.3	5.3	2.3	0.1
Rent	7.2	7.2	7.2	7.5	4.3	3.9	3.7	3.7
Household fuels	1.5	1.4	1.4	1.4	2.4	3.0	0.5	0.6
Household furnishings, operation	4.9	5.0	4.9	4.9	4.7	3.2	1.0	-1.1
Medical care, health services	1.5	1.6	1.5	1.5	2.5	4.7	-1.2	1.2
Autos and auto maintenance	3.7	3.8	3.8	4.1	5.3	1.9	3.8	-5.8
Gasoline, oil, grease	1.4	1.4	1.4	1.4	5.0	2.5	2.2	0.1
Transportation, communication	1.8	2.0	2.1	2.2	7.6	8.2	10.7	4.9
Education and culture	1.2	1.0	0.9	0.9	1.1	-0.5	-1.9	-0.7
Recreation equipment	2.4	2.8	2.8	2.9	11.1	5.6	5.9	2.9
Restaurants and hotels	2.9	2.9	2.9	2.9	5.1	4.2	0.5	1.9
Financial and legal services	2.2	2.3	2.4	2.4	3.7	6.9	5.5	0.0
Net expenditure abroad	0.3	0.5	0.2	0.2	441*	810*	335*	311*
Other goods and services	4.0	4.3	4.2	3.8	4.1	3.0	2.7	1.2
Government expenditure	17.3	16.4	15.8	16.0	2.8	0.5	-1.0	0.7
Federal current	3.8	3.6	3.3	3.3	1.1	-0.9	-3.6	-2.7
Federal investment	0.4	0.4	0.3	0.3	-0.2	-3.5	-20.6	3.3
Provincial current	4.0	4.1	3.9	4.0	6.3	1.4	-1.9	2.4
Provincial investment	1.0	0.9	0.9	0.9	2.6	3.6	5.3	0.5
Local current	6.9	6.5	6.4	6.5	2.8	1.6	0.9	1.4
Local investment	1.3	1.1	1.1	1.1	0.6	-5.4	1.4	1.5
Residential construction	3.9	3.7	3.3	3.0	1.7	-3.8	-7.5	-9.8
Business investment	11.2	10.9	11.6	12.6	5.7	2.2	9.4	8.6
Non-residential construction	5.1	4.9	5.2	5.8	5.4	1.9	9.9	11.1
Machinery and equipment	6.1	6.1	6.4	6.9	6.0	2.5	9.0	6.5
Inventory change	0.5	0.1	1.2	-0.5	650*	138*	1,958*	-759*
Exports	18.6	19.2	19.1	19.4	4.6	9.9	2.6	1.0
Wheat	0.6	0.6	0.5	0.7	4.0	-6.9	-15.2	32.7
Other food	1.2	1.2	1.3	1.3	3.5	8.4	11.0	-2.1
Petroleum and natural gas	0.7	0.3	0.4	0.3	-6.0	-15.4	9.8	-27.6
Forest products	2.4	2.5	2.5	2.5	3.3	9.1	3.4	-0.3
Metals and minerals	2.6	2.3	2.0	2.3	0.2	0.8	-8.8	10.5
Autos and auto parts	4.0	5.1	4.2	3.5	4.8	9.3	-15.2	-16.8
Other manufactured goods	3.8	4.0	5.0	5.6	10.1	23.3	29.7	10.2
Services	3.4	3.2	3.3	3.4	3.0	11.6	4.2	3.9
Total demand	100.0	100.0	100.0	100.0	4.1	3.5	3.2	-0.4

* Denotes level in millions of 1971 dollars, rather than percentage change.

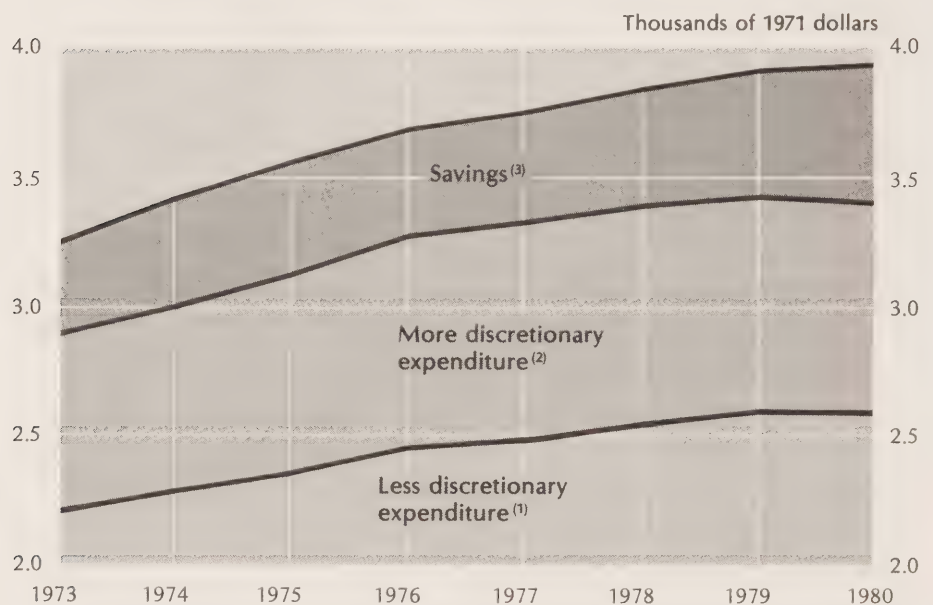
Source: Statistics Canada, *National Income and Expenditure Accounts*, annual, cat. 13-201.

high. The result was that consumer outlays were reduced in those categories of expenditure which were generally most discretionary and postponable (Chart 2.2 and Table 2.1). Thus spending on furniture, automobiles and travel abroad recorded large decreases. Outlays for other less income-elastic goods and services, however, such as communication and transportation services, accommodation and personal care, continued to show moderate growth.

Consumers also rearranged their buying patterns as they adapted to the relative price changes that have taken place in recent years. The shifts in consumer spending on food and energy are of particular note. Although these two components are normally quite inelastic to price and income changes, both have been affected by substantial relative price increases since the early 1970s. Real spending on food per capita has fallen in every year since 1976. The share of food purchases in the total volume of consumer expenditure fell from 22 per cent in 1970 to only 18 per cent by 1980. On the energy side, the volume of expenditure for household fuels and gasoline has also recorded slower growth. In per capita terms, real expenditure for the former declined in three of the last four years and while gasoline purchases have recorded few annual declines, they have risen much

Chart 2.2

Real Consumer Income and Expenditure Per Capita



- (1) Includes expenditure on food, beverages and tobacco, clothing, footwear, gross rent, fuel and power, semi-durable and non-durable household furnishings and supplies, household services, medical care, health services, transportation (excluding automobile purchase), communications, entertainment, education and cultural services, personal articles and care, financial and legal services.
- (2) Includes expenditure on household furniture, furnishings and appliances, automobiles, recreation and sporting equipment, recreational services, jewellery, restaurants and hotels, and net expenditure abroad.
- (3) Includes personal savings, interest on consumer debt and current transfers to non-residents.

Source: Statistics Canada, *National Income and Expenditure Accounts*, annual, cat. 13-201.

more slowly in recent years. There has also been a marked change in the mix of fuels being used in Canada. The proportion of households using oil for heating fell from 51.6 per cent in 1975 to only 37.3 per cent in 1980, with both gas and electricity acting as substitutes.

Table 2.2

Profile of Canadian Households, 1975 and 1980

	1975		1980	
	Number of households	Percentage of households	Number of households	Percentage of households
	(thousands)	(per cent)	(thousands)	(per cent)
Households				
Total	6,713	100.0	7,807	100.0
With 1 person	1,008	15.0	1,446	18.5
With 2 persons	1,933	28.8	2,271	29.1
With 3 persons	1,197	17.9	1,397	17.9
With 4 persons	1,202	17.9	1,487	19.0
With 5 or more persons	1,363	20.3	1,206	15.4
Home				
Owned	4,153	62.0	4,979	63.8
Rented	2,550	38.0	2,828	36.2
Single-detached	3,987	59.5	4,620	59.2
Single-attached	458	6.8	644	8.2
Apartment	2,258	33.7	2,543	32.6
1 to 3 rooms	934	13.9	970	12.4
4 rooms	1,165	17.4	1,214	15.6
5 rooms	1,627	24.3	1,815	23.2
6 rooms	1,359	20.3	1,528	19.6
7 rooms	786	11.7	1,011	12.9
8 or more rooms	832	12.4	1,269	16.3
Heating fuel				
Oil	3,459	51.6	2,914	37.3
Gas	2,334	34.8	3,078	39.4
Electricity	703	10.5	1,522	19.5
Other	207	3.1	293	3.8
Major appliances				
Freezers	2,804	41.8	3,980	51.0
Refrigerators	6,653	99.3	7,773	99.6
Electric stoves	5,701	85.1	6,977	89.4
Gas stoves	739	11.0	658	8.4
Other stoves	250	3.7	163	2.1
Washers	5,152	76.9	6,038	77.3
Dryers	3,460	51.6	4,930	63.1
Dishwashers	1,019	15.2	2,228	28.5
Air conditioners	832	12.4	1,307	16.7
Televisions, black and white	4,543	67.8	3,668	47.0
Televisions, colour	3,581	53.4	6,335	81.1
Record players	5,073	75.7	6,230	79.8
Transportation				
1 automobile	3,745	55.9	4,192	53.7
2 or more automobiles	1,541	23.0	2,038	26.1
Bicycles	2,266	33.8	3,462	44.3
Snowmobiles	671	10.0	761	9.7

Source: Statistics Canada, *Household Facilities and Equipment*, annual, cat. 64-202.

A more medium-term view of the changing living standard of Canadian households is provided in Table 2.2. This table compares some of the size, domicile and durable-asset characteristics of the households of 1975 with those of 1980. Average household size fell quite considerably over this period and there was also a noticeable increase in the proportion of households owning their own home. The average size of home, as indicated by the number of rooms, increased and single-attached homes rose in popularity at the expense of both single-detached homes and apartments. The shares of households owning certain major appliances — freezers, dishwashers, electric stoves, colour television sets, air conditioners and so on — also increased strongly over the five-year period. Durable asset ownership has evidently increased quite substantially, suggesting that, at least by these measures, Canadian households were generally better off in 1980 than they were in 1975.

A major factor restraining consumption in recent years, especially in 1980, has been the very slow growth in real disposable income. Labour income, which constitutes close to 70 per cent of personal income, has grown very slowly in real terms in the past three years despite strong employment growth. For a number of reasons, nominal wage rates have generally not kept pace with average price increases for the last three years. Of the remaining components of income, investment income and transfer payments from governments have recently been the strongest. Both of these components have risen considerably, due in large part to their special sensitivity to inflation. Investment income accounted for 11.6 per cent of total personal income in 1980 compared with an average 8.6 per cent in the 1971-75 period and 10.3 per cent in the 1976-80 period. Institutional changes that encouraged saving, and the rise in nominal interest rates to compensate for inflation have both contributed to greater investment income. Government transfer payments accounted for 12.7 per cent of personal income in 1980. This compares with an average 12.2 per cent in the 1971-75 period and 12.8 per cent in the 1976-80 period. Income from other sources such as farms and other unincorporated businesses was about 6 per cent of the total in 1980 after averaging 9.1 per cent in the 1971-75 period and 6.8 per cent in the 1976-80 period.

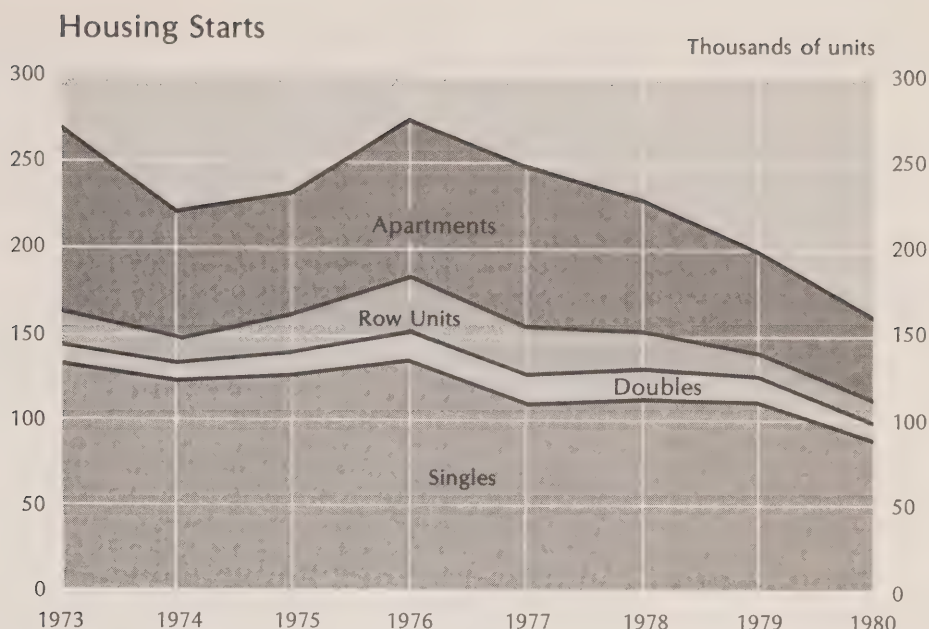
Housing

Slower income growth, rising prices and high mortgage rates have had an adverse influence on new housing construction in recent years. Starts fell to 158,601 units in 1980, the fourth consecutive year of decline, as single-unit building activity dropped sharply and apartment construction remained near the low level reached in 1979 (Chart 2.3).

Despite strong building activity in earlier years, projections in 1975 indicated that a serious shortage of housing might exist by the turn of the decade. To alleviate this problem, the federal government expanded its role in the housing market. A number of schemes were introduced to make home ownership easier and to produce more rental units through various subsidies. The Assisted Rental Program (ARP), which subsidized the construction of moderate-cost rental accommodation, was supplemented by capital cost allowance provisions. The Multiple Unit Residential Building (MURB) tax incentive was introduced, permitting rental losses generated by capital cost allowances to be offset against other income. The Assisted Home Ownership Program (AHOP) was designed to reduce the effective mortgage rate paid by buyers of designated housing in the early years of the mortgage. Many provinces initiated separate programs of their own to supplement these federal measures.

The programs proved popular, leading to growth in the stock of owner-occupied multiple units (chiefly single-attached units, see Table 2.2) and increases in the rental vacancy rate. The success of these programs in attracting buyers to lower-priced housing weakened the demand for single-detached family dwellings

Chart 2.3



Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*, annual.

and inventories rose. Housing starts peaked in 1976 but inventories of newly-completed but unoccupied dwellings continued to rise. By the end of 1979 several of these government housing assistance programs had been terminated.

The slowdown in housing starts in recent years was brought on by generally weaker demand and it allowed a reduction in new housing inventories. The very large personal income gains of the early 1970s gave way to declining real household incomes in the latter part of the decade. New family formation fell off sharply after 1976 although non-family household formation continued at a relatively high rate. Price increases slowed from more than 20 per cent in both 1973 and 1974 to between 5 and 10 per cent in 1979 and 1980, reflecting changed demand conditions.

By the end of 1979 the total inventory of unsold houses had been brought into closer balance with the new demand situation, although there was some variation by region. Rental vacancy rates were generally falling and housing shortages were reported in a number of areas. Serious shortages developed in the western provinces as the stronger economy of the region continued to encourage migration. Construction of new rental accommodation remained low despite some relaxing of provincial rent control laws. Apartment construction accounted for 33 per cent of total housing starts in the 1976-80 period compared with 38 per cent for the 1971-75 period. In 1979 and 1980 apartment starts totalled less than 30 per cent of all housing starts. To help alleviate the growing shortage of such dwelling units, the MURB program was reintroduced in the budget of October 28, 1980.

High and fluctuating mortgage rates remain a major deterrent to housing construction activity. During 1979 conventional mortgage rates trended upward and

averaged 13.1 per cent. In April 1980 the rate rose to just under 17 per cent; two months later the rate fell to about 13 per cent only to rise again and end the year around 17 per cent. Such high rates and wide fluctuations constrain demand, not only by adding to costs but also by creating uncertainty for both buyers and builders. High rates also hurt those present home owners who must renew their mortgages. Monthly payments rose by about 20 per cent on typical mortgage renewals in 1980, necessitating adjustment in household consumption and saving patterns in the short term.

Business Investment

The business sector, through its investment expenditure and inventory accumulation, is a major source of demand in the economy. Investment in plant and equipment is also a major vehicle for technological progress and structural change. The investment strength that emerged in 1978 and 1979 continued in 1980 as capital formation grew a further 8.6 per cent.

The strength of business investment in 1980 was partly a delayed reaction to conditions which developed in 1978 and 1979. This cyclical investment can be expected to moderate since profitability, capacity utilization and demand conditions have become less favourable. There are other underlying reasons for the current investment boom, however, that are more permanent or structural in nature. These latter factors include: (1) the exploitation of new market opportunities resulting from improved competitiveness at home and abroad; (2) the correction of sagging productivity, particularly vis-à-vis energy usage; (3) the adjustment to shifting consumer demand patterns, brought about by such factors as demographic changes, internal migration and relative price movements; and (4) the development of Canada's large resource base in energy-related products and some other goods.

The upswing in investment had its origin in the recovery of corporate profits in 1977. By late 1979 the corporate profit share in national income had increased by about 4.5 percentage points. As profit margins rose, liquid assets were purchased, restoring the liquidity position of firms. While these developments provided the means to finance the investment, its justification came from the rising rates of profitability and capacity utilization that occurred in some industries in 1978 and 1979. For the manufacturing sector the rate of capacity utilization rose to nearly 90 per cent, with much higher rates of utilization being experienced in the transportation equipment, machinery, metal fabricating, printing, paper, wood and several non-durable goods industries. In addition to normal growth in domestic demand, many of these industries were benefitting from increased exports and from import substitution as they became more internationally competitive. These factors resulted in a 9.4-per-cent rise in real business investment expenditure in 1979 and continued strong growth in 1980. As a share of aggregate economic activity, this expenditure rose from 14 per cent in 1978 to about 16 per cent in 1980. This share was well above the 15 per cent attained in 1975, the previous peak, and illustrates the greater relative importance of investment in the current situation. Business capital formation has continued to grow and provide a source of strength in an otherwise generally weak economy.

Because of the current dominance of large-project developments in the economy, the growth in engineering construction has been greater than that of machinery and equipment investment. Non-residential construction expenditure advanced by about 10 per cent in volume terms in 1979 and 11 per cent in 1980. While investment in machinery and equipment advanced by 9 per cent in 1979, its growth in 1980 was only 6.5 per cent. Firms completed investment projects which had been planned in 1978 and 1979, but were less eager to commence new ones in view of the economic downturn and interest rate increases. This slower growth

in machinery and equipment investment in 1980 had a favourable bearing on Canada's trade balance since these goods comprise approximately 25 per cent of our imports.

Aside from the energy sector, the manufacturing sector showed the strongest investment expenditure growth in 1980: capital formation in this sector was over 20 per cent of total business investment. A large proportion of the expenditure was motivated by the need for greater efficiency in energy use. The North American consumer turned toward smaller energy-efficient automobiles following the recent oil price increases and the auto industry was obliged to retool in order to meet the shift in demand. Investment was fairly strong during the year in pulp and paper and primary metals and was also on the upswing in the chemicals industry. Here, too, energy developments played a role. These industries are relatively energy-intensive and have a cost advantage internationally because of Canada's domestic energy policy. This has contributed to strong export demand and import replacement demand in recent years and thus the need for capacity expansion. Investment in mining also grew strongly during the year as the upswing in world commodity prices improved profitability.

Partially offsetting the strong investment growth in these industries were more moderate rates of increase in several less export-oriented industries such as utilities, construction and services. In most cases these industries had shown larger increases in investment outlays in 1979.

Energy investment accounted for approximately 30 per cent of total business capital spending and almost 5 per cent of GNP in 1980. About half of this was in the electric power industry, another 40 per cent was in the crude oil and natural gas extraction sector and the remainder was in pipelines, petroleum and coal products industries and gas distribution. Given the nature of the energy projects, the capital formation was primarily classified as non-residential construction rather than machinery and accounted for about half of the former investment category in 1980. The slower growth of investment in machinery and equipment can also be traced to the energy sector, however, as such expenditures weakened in the electric power industry. Further information on investment by industry can be found in Table 4.1.

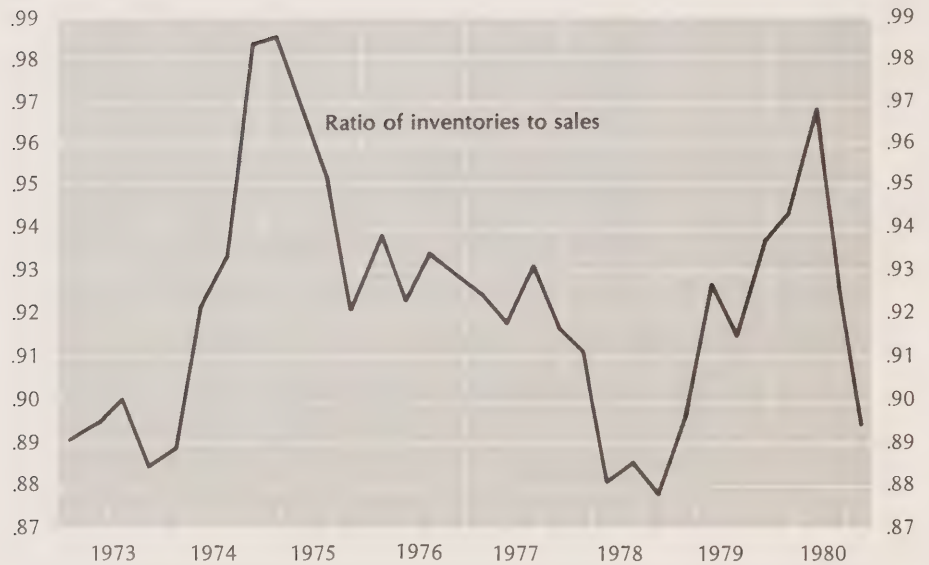
While business investment continued to rise in 1980, the flow of internal funds available to finance the expenditure did not keep pace. During 1978, when profits were in their second year of recovery and investment expenditure was beginning to strengthen, gross savings of the non-financial business sector were equivalent to 80.5 per cent of business investment. As capital expenditure growth in 1979 outpaced the flow of internal funds, this ratio dropped to 77.4 per cent. The rate of savings growth slowed considerably in 1980 and savings financed less than 77 per cent of investment expenditure, the lowest ratio since 1974. The financing gap was over \$8 billion. Although the larger gap was financed through borrowing, the flow of borrowed funds did not increase at the very high rates recorded in 1978 and 1979. In those years the bulk of the borrowed funds was apparently used to acquire financial assets.

Profit margins fell in a wide range of industries in 1980, most notably in the auto, wood, paper, metal fabricating and machinery industries. The declines reflected lower demand and rising cost pressures. Large increases in many basic commodity prices maintained margins on average in the food and beverage and primary metal industries and in metal mines. The strongest profit pictures, however, remained in the energy sector. The profit margin in mineral fuels mining averaged 33 per cent of sales during the year; it also rose to almost 20 per cent in the petroleum and coal refining industries from half that in late 1978. While these

Chart 2.4

Real Business Inventories and Sales⁽¹⁾

Billions of 1971 dollars



(1) Sales include consumer expenditure on goods, business investment (including residential construction), exports of goods, government non-wage current expenditure, and government investment.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001 and Department of Finance.

profits helped support the high level of investment expenditure in the energy sector, they represented a higher cost of operation for most other industries and thus reduced profits in other sectors of the economy.

Business Inventories

Stock-building represented 1.5 per cent of real GNP during 1979 and a further accumulation equivalent to 0.7 per cent of real GNP was recorded in the first half of 1980. Over this period the ratio of inventories to sales rose from 0.88 to a peak of 0.97 in the second quarter, approximately 10 per cent above its long-term trend (Chart 2.4). Accumulation in the second quarter was largely unplanned and resulted from the drop in economic activity. In the second half of the year businesses were able to adjust to the lower level of demand and aggregate inventories fell rapidly. The swing in the rate of inventory accumulation added considerably to the already weak demand situation in 1980.

The run-up of inventories in Canada in 1979 and early 1980 occurred to a greater degree than was the case in the United States. Two major factors can be identified in this development. First, a fairly severe recession in the U.S. had been long anticipated and this awareness helped prevent firms from being caught with excess stocks. Second, the rise in interest rates in the second quarter was greater in the U.S., thus providing greater inducement to reduce financing costs by drawing down inventories.

Government

The policy of expenditure restraint followed by all levels of government in recent years has severely reduced growth. Increases in government spending in national accounts terms have generally been held below the growth of GNP, resulting in a declining government share of total demand (Table 2.1). Total government expenditure on goods and services (excluding transfers) plus capital formation, all on a national accounts basis, was 16.0 per cent of total demand in 1980 compared with an average of 17.3 per cent for the 1970-80 period.

Restraint in current expenditures has occurred at all levels of government since the mid-1970s (see Chapter 6). On a national accounts basis, federal expenditures in volume terms decreased in each of the last three years. Provincial and local government outlays did not record net declines in volume over this period, but they did grow much more slowly.

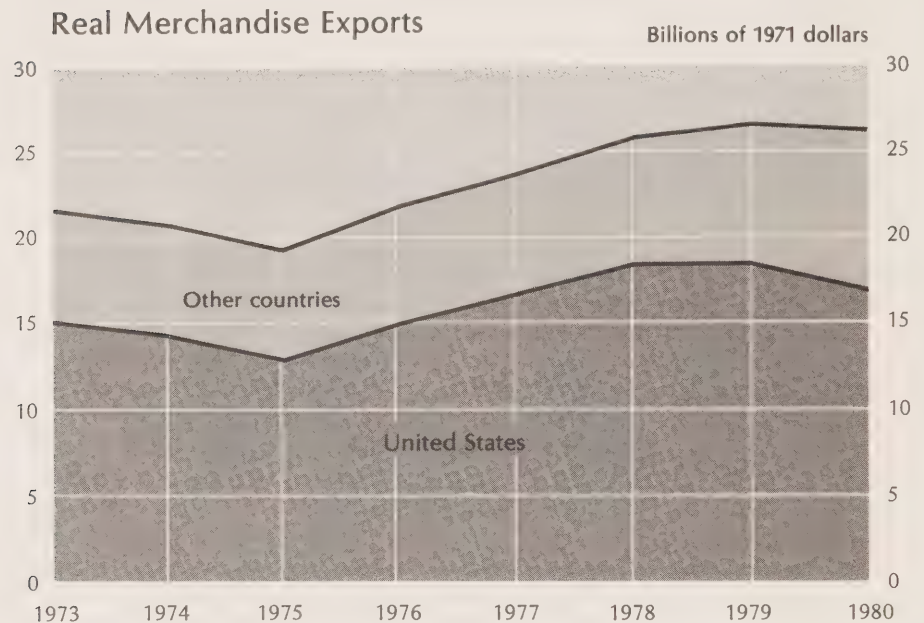
As has been true in several other OECD countries, Canadian fiscal restraint has been much more severe in capital expenditure than in current expenditure (Table 2.1). In contrast to the positive although diminishing rate of growth for current expenditure, total capital spending has shown a net decline in real terms since 1975, although 1980 registered a small increase. The greatest relative cutback came at the federal level and affected most major categories of investment. At the provincial level, capital expenditure continues to be heavily influenced by demographic factors such as declining school enrolment. One factor supporting provincial and local investment expenditure has been the large movement of population to western cities. This migration, which is associated with the boom in energy-related development, has required infrastructure investment to provide services to the larger population.

Exports

Canada's much improved nominal export performance in 1980 was the net result of several mixed influences. The recession in the U.S. depressed export volumes to that country, while recent improvements in the competitive position of many of Canada's exporting industries as well as relatively strong economic growth in some European trading partners strengthened overseas exports of many goods and services. Large increases in the world prices of several commodities exported by Canada, notably wheat and metals, also added substantially to export revenues in both 1979 and 1980. (See Chapter 5 for a detailed analysis of these events.)

The substantially higher export volumes to countries other than the U.S. can be attributed to three developments. First, there were relatively strong levels of demand in our major overseas trading partners through the first half of 1980. Second, the improvement in Canada's competitive position was very large with respect to these countries. In particular, between 1976 and 1979 the Canadian dollar depreciated about 38 per cent vis-à-vis a trade-weighted average of the currencies of the "Group of Ten" countries excluding the U.S. Exports of pulp and paper, metals and minerals, chemicals and machinery and equipment reaped the benefits of this improved competitiveness in 1979 and 1980. Third, wheat exports increased by more than 30 per cent following two years of declines.

Chart 2.5



Source: Bank of Canada, *Review*, monthly.

Because the U.S. accounts for approximately two-thirds of Canada's exports, the recession in that country caused a decline in total Canadian export volume in 1980. Since the U.S. downturn was led by weak consumer and housing demand, its greatest effect for Canada was on exports of automobiles and building materials. Sharply lower exports of natural gas and petroleum reflected the reduced U.S. industrial activity as well as conservation measures following rapid energy price increases. Other export categories also showed recession-related declines. However, the improvement in Canada's competitive position since late 1976 has likely moderated the cyclical decline in the volume of exports to the U.S.

The Labour Market

The recession through which the Canadian economy and most other industrialized economies passed in 1980 did not have the anticipated negative repercussions on the Canadian labour market. In fact, although the downturn in economic activity led to a slight increase in the unemployment rate at the beginning of the year, the rate for 1980 as a whole was 7.5 per cent, the same as for the previous year. The

strong growth in employment recorded since 1978, despite the slow growth of Canadian production, was the major unexpected development affecting the labour market. Although GNP grew only 2.7 per cent in 1979 and 0.1 per cent in 1980, employment increased 4.0 per cent and 2.8 per cent in each year respectively, with the creation of almost 700,000 jobs. The strong growth of employment in Canada had few parallels among the other industrialized countries. As a result of this exceptional performance it was possible to absorb a rapidly expanding labour force. The average proportion of the working age population holding jobs reached a record level of 59.2 per cent for 1980.

The number of persons unemployed in Canada during 1980 averaged 869,000. Almost half of these were young people between 15 and 24 years of age, and the unemployment rate for that age group increased slightly to 13.3 per cent for 1980 as a whole. The unemployment rate for adult men climbed to 4.8 per cent, while the rate for adult women fell from 7.0 per cent in 1979 to 6.5 per cent in 1980. The following is an analysis of the factors explaining the demand for and supply of labour, which together have shaped recent changes in the unemployment rate.

Table 2.3
Labour Force Developments

	Average 1970-75	Average 1976-80	1976	1977	1978	1979	1980
			(per cent)				
Employment growth							
Total	2.9	2.8	2.1	1.8	3.4	4.0	2.8
Adult men.....	1.6	1.6	1.3	1.0	1.7	2.6	1.5
Adult women	4.8	5.3	5.1	4.0	6.6	5.0	6.0
Youth	3.7	2.4	0.7	1.0	3.1	5.6	1.6
Population growth							
Total	2.4	2.0	2.3	2.1	1.9	1.8	1.8
Adult men.....	2.2	2.1	2.3	2.1	2.0	1.9	2.2
Adult women	2.4	2.4	2.5	2.4	2.3	2.3	2.4
Youth	2.7	1.3	2.3	1.7	1.3	0.8	0.2
Labour force growth							
Total	3.3	2.9	2.3	2.9	3.7	3.0	2.8
Adult men.....	1.8	1.7	1.3	1.8	2.1	1.9	1.7
Adult women	5.3	5.3	5.3	4.8	7.0	4.2	5.5
Youth	4.6	2.7	1.5	3.0	3.2	3.7	1.9
Participation rates							
Total	59.3	62.5	61.1	61.5	62.6	63.3	64.0
Adult men.....	82.5	80.9	81.1	80.9	80.9	80.9	80.5
Adult women	37.0	43.6	41.1	42.1	44.0	44.8	46.2
Youth	59.4	64.7	62.4	63.2	64.4	66.2	67.3
Unemployment rates							
Total	6.0	7.7	7.1	8.1	8.4	7.5	7.5
Adult men.....	3.9	4.7	4.2	4.9	5.2	4.6	4.8
Adult women	5.4	7.0	6.6	7.4	7.7	7.0	6.5
Youth	10.5	13.6	12.7	14.5	14.6	13.1	13.3

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001.

Labour Supply

Since 1978 the growth in the working age population has slowed. However, the increase in the participation rate has allowed continuing strong growth in the labour force, which increased by 315,000 persons in 1980 (2.8 per cent over the previous year). This increase in the size of the labour force was slightly slower than the growth rates recorded in 1978 and 1979, which were more typical of the 1970s. The slowing in 1980 resulted from the lower numbers of young people aged between 15 and 24 and adult men aged 25 and above joining the labour force. During the 1970s the Canadian labour force underwent a significant change in character with the arrival on the labour market of large numbers of women and young people born during the post-war baby boom. The proportion of adult women in the labour force has continually increased with a corresponding decline in the proportion of adult men, whose share in the labour force fell from 53 per cent in 1969 to 45 per cent in 1980. The proportion of young people in the labour force peaked in 1975 and can be expected to fall in coming years.

The increase in the size of the working age population accounted for 58 per cent of the growth in the labour force in the period 1979-80. This compares with an average contribution of 82 per cent over the three preceding years. Two factors contributed to this decline. First, the effect of the post-war baby boom began to come to an end and this trend was especially discernible in 1980, when the growth rate for the population aged 15 to 24 was near zero. Second, whereas there was strong growth in net immigration in the first half of the 1970s, the increase in the Canadian unemployment rate and the tightening of immigration rules in the mid-1970s led to a marked decline in the number of new immigrants. Net immigration fell from 143,000 persons in 1974 to 11,000 persons in 1978. The arrival in the last two years of more than 75,000 refugees, mostly of Indo-Chinese origin, resulted in net immigration of about 37,000 persons in 1979 and 60,000 persons in 1980. It is expected that during the 1980s immigration will play a more significant role in meeting an increased demand for highly qualified workers.

Strong labour force growth has been sustained by significant increases in the participation rate since 1978. As shown by Table 2.6, recent increases in the aggregate participation rate have been accounted for by a marked and continuing growth in the participation rate of adult women, together with strong increases in the participation rate of young people. The declining participation rate of adult men, first noted during the 1960s, continued in 1980.

The increased participation of adult women in the labour market in recent years is very dramatic. Their participation rate reached 46.2 per cent in 1980, compared with 42.1 per cent in 1977 and 34.5 per cent in 1970. This trend, which began to appear during the 1950s and 1960s in the industrialized countries, is the result of a number of sociological and economic factors. Among these factors are very marked changes in attitudes about family size and improved birth control, substantially increased numbers of separations and divorces, changes in the personal aspirations of women as reflected in the marked increase in their educational attainments, the increasing material aspirations of families, and the expansion of the services sector, which made possible more flexible working hours and created a growing number of part-time jobs. A substantial increase in the participation rate of young people was recorded for the fourth consecutive year in 1980. Part of this growth was accounted for by the lower relative rate of economic return from university education during the 1970s. Further, the changes to the Unemployment Insurance Act in 1971, which significantly increased the generosity of the system, may have encouraged a higher participation rate for young people and women.

Demand for Labour

Recent changes in employment do not appear to correspond with the traditionally very close relationship between growth in labour demand and growth in production. In 1978 and 1979 strong increases in employment were recorded, despite below-average production growth. It seemed possible that the new jobs created during this period would be very vulnerable to a drop in production and that such a drop would result in a significant fall in total employment. However, although the Canadian economy passed through a recession in 1980, total employment did not fall; instead, it increased by 2.8 per cent, a net addition of 286,000 jobs.

The services industries, which were fairly unresponsive to current economic conditions, contributed almost 90 per cent of the net jobs created in 1980. The main contribution was made by the community, business and personal services sectors; contributions were also made by the finance, insurance and real estate and public administration sectors. The goods-producing industries were much more sensitive to the economic cycle. The manufacturing sector, which contributed almost one-third of total employment growth in 1979, saw its share of total growth fall considerably in 1980, mainly because of extensive lay-offs in the automobile industry during the first quarter. In the construction sector the trend to reduced employment, begun in 1977, became more marked in 1980.

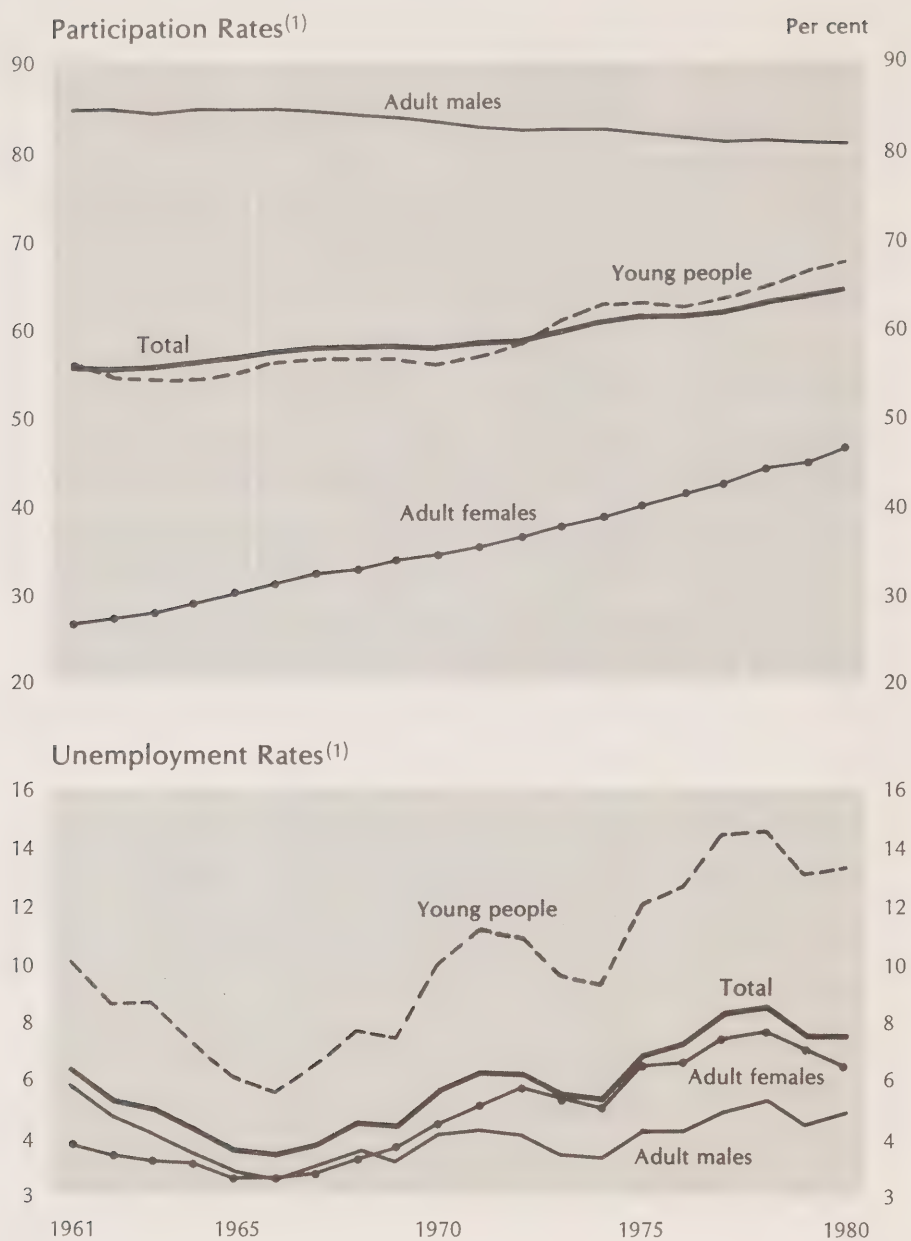
Following a trend that began around 1975, most new jobs created in 1980 went to adult women. Their share of employment, which was 24.6 per cent in 1976, rose to 28.0 per cent in 1980. The increasing number of jobs for women coincided not only with the expansion of the services sector, but also with the increased number of part-time jobs (defined as jobs with less than 30 working hours per week). Part-time jobs accounted for one-third of total employment growth in 1980, a little above their average contribution over the last five years. Almost 90 per cent of part-time jobs are now concentrated in the services sector and most of these are held in almost equal proportions by young people and adult women.

Growth in employment in 1980 provided a clear contrast to the employment-production relationship observed during previous periods of economic contraction. Table 2.4 compares the increase in real domestic product (RDP) with growth in employment during periods of expansion and contraction occurring in the course of the last three complete economic cycles in Canada. Average monthly growth for certain employment and production indicators is expressed in terms of annual rates for each of six periods corresponding to cyclical fluctuations in RDP since September 1966. These figures show the severity of the recession which began at the end of 1979 and continued into the first half of 1980, compared with previous periods of slackening economic activity. Production fell at an average monthly rate of 2.8 per cent (expressed at annual rates) for the period October 1979 to June 1980, while it fell at a rate of only 0.3 per cent during the slack period between March 1974 and May 1975. Despite these marked differences in production, the Labour Force Survey (LFS) shows that the labour force increased at an average rate of 2.4 per cent between October 1979 and June 1980, a rate higher than in previous periods of contraction. An alternate indicator often used to measure changes in total employment, non-agricultural employment according to the Estimates of Employees (EE), also shows the growth in employment during the most recent period of contraction. The EE indicate slower employment growth in the period October 1979 to June 1980, but this growth was much greater than that experienced during previous periods of economic contraction.

The effect of economic conditions can be better assessed when production and employment are broken down into components for the goods-producing and services sectors. Employment in the goods-producing sector is quite sensitive to

Chart 2.6

Participation and Unemployment Rates



(1) The labour force numbers based on the new Labour Force Survey are only available after 1966. The numbers from the old survey for the years 1961-1965 inclusive are linked to those from the new survey on the basis of a ratio.

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001.

production variations. However, employment in the services sector appears to have an inverse relationship to cyclical trends. During the recent period of contraction, RDP in the goods sector recorded its greatest fall since 1966 but employment in this sector did not fall. Instead it increased at an average monthly rate of 0.1 per cent compared with average losses of 3.7 per cent and 2.4 per cent recorded during the less severe periods of contraction March 1970 to October 1970 and March 1974 to May 1975. Despite significantly below-average growth in services RDP from October 1979 to June 1980, employment growth in this sector was also relatively strong, recording an average growth rate of 3.5 per cent. A breakdown of employment among the main age/sex groups shows that employment growth among young people and adult men reflected the production cycle, and that growth of employment in these two groups slackened during the recent period of contraction. In contrast, employment growth among adult women was very strong, with the average monthly rate being 5.5 per cent. Part-time employment has not played a crucial role in employment growth during the recent period of contraction. Although part-time employment grew at an average rate higher than that of full-time employment, it accounted for only 37,000 of the net 200,000 jobs created during the period.

Several reasons account for the continued strong demand for labour, and the disparity between employment and production growth rates since 1978. The main reason was that in recent years producers experienced a fall in the relative cost of

Table 2.4
**Growth in Employment and Production During Expansion
and Contraction Phases of the Economic Cycle**

Phases ⁽¹⁾	1966-1970		1971-1975		1976-1980	
	Sept. 1966 -Feb. 1970	March 1970 -Oct. 1970	Nov. 1970 -Feb. 1974	March 1974 -May 1975	June 1975 -Sept. 1979	Oct. 1979 -June 1980
(average monthly growth rate expressed at annual percentage rate, seasonally adjusted)						
Gross domestic product						
Total.....	5.1	0.0	7.1	-0.3	3.9	-2.8
Goods ⁽²⁾	4.8	-4.4	7.5	-6.2	3.9	-8.6
Services ⁽³⁾	5.6	3.3	6.8	3.2	4.0	0.6
Employment						
Total (Labour Force Survey basis).....	2.2	2.1	3.8	2.1	2.8	2.4
Goods.....	0.2	-3.7	3.4	-2.4	2.2	0.1
Services.....	3.9	6.5	4.0	4.9	3.1	3.5
Full-time.....	1.7	1.3	3.6	n.a.	2.1	2.5
Part-time.....	9.1	10.2	5.5	n.a.	7.7	2.8
Adult men.....	1.3	1.1	2.1	1.1	1.7	1.0
Adult women.....	3.8	3.8	5.3	5.3	5.0	5.5
Youth.....	2.9	2.9	5.8	1.2	2.7	1.5
Total (Estimates of Employees basis).....	3.0	-0.2	4.8	2.2	2.3	1.1

⁽¹⁾ A study of changes in the RDP over the period enables cycles and phases of expansion and contraction to be identified. It is sometimes necessary to fix the beginning and ending of these cycles and phases in an arbitrary manner.

⁽²⁾ Defined to correspond with the Labour Force Survey definition of employment in the goods-producing sector; includes agriculture, other primary industries, construction and manufacturing.

⁽³⁾ Defined to correspond with the Labour Force Survey definition of employment in the services sector; includes transportation, communications and public utilities, trade; finance, insurance and real estate; community, business and personal service; public administration.

labour and apparently took advantage of this by substituting labour for capital in the production process. Real wages fell after 1977, while the user cost of capital increased as a result of the continuing rise in energy costs. The price of capital goods, almost half of which are typically imported, has also risen because of the substantial depreciation of the Canadian dollar since 1976.

The strong increase in the demand for labour is also partly explained by the change in the mix of occupations in recent years. Most new jobs are in the services sector, where several occupations have low measured productivity levels. The services sector has also attracted a large number of relatively inexperienced people and this has contributed to a continuing low level of productivity. For any given level of production, employers must therefore hire additional workers.

Substitution of labour for capital, though it led to the creation of a larger number of jobs and a consequent easing of upward pressures on the unemployment rate, implied poor productivity and this was especially the case after 1978. This phenomenon occurred not only in Canada but also in the United States and a number of other industrialized countries. Canadian productivity, measured in terms of the ratio of real GNP to employment, fell by 1.2 per cent and 2.6 per cent in 1979 and 1980 respectively. This relegates Canada to the last position among the industrialized countries for recorded performance in this area.

3. Inflation

All major OECD countries experienced increasing inflation in 1980, continuing an upturn that began in 1978. A number of international factors contributed to this new wave of inflation including the renewed climb of crude oil prices and the sustained growth of world food prices. The run-up of basic raw material prices—reflecting speculative developments as well as the cyclical expansion in 1978-79—also influenced OECD inflation. Further increases in inflationary expectations and wages resulted from these developments, although the wage response did not provide the same degree of reinforcement to inflation that it did in the mid-1970s. The major reasons for this were the stubbornly high unemployment rates prevalent in recent years, the relative weakness of the overall economic expansion and the policies of non-accommodation adopted by most OECD governments.

The resurgence of inflation during the 1978-80 period came as a considerable disappointment as many countries had finally recovered from the 1974 oil price shock. The monetary and fiscal restraint practised in many countries resulted in a smoother adjustment to the external shocks than was the case in the 1974-75 period, however, and in the absence of such restraint the surge of inflation would have been more severe. While Canada was affected by some of the same inflationary forces that struck other countries in the 1978-80 period, many aspects of the Canadian experience have been quite unique, partly because of our domestic oil-pricing policy and also because of our particular sensitivity to other international developments.

International Inflation

Under pressure from supply shocks, total OECD inflation rose from 8.3 to 12.8 per cent between 1978 and 1980 while economic activity weakened steadily (Chapter 1). The most important factors behind this resurgence of inflation—the doubling of crude petroleum prices between 1978 and 1980 and the rise of other commodity prices—had an impact on all industrial economies. As discussed in Chapter 1, the OECD countries had mixed success in adjusting to these price shocks.

On an annual basis crude petroleum prices in U.S. dollars rose over 40 per cent in 1979 and 60 per cent in 1980. Most countries allowed the oil price increases to pass through to domestic energy users more quickly than was the case in 1974, so that consumer prices in general responded faster as well. The doubling of oil prices induced cutbacks in demand, and spot-market surpluses began to emerge by mid-1980. As a result prices in spot markets softened during the summer. The favourable supply situation deteriorated later in the year as the extended Iran-Iraq conflict eliminated some production and reduced exports from those countries after September. In anticipation of tightening markets in 1981, crude oil prices increased further in the fourth quarter of 1980.

Basic raw material prices in general rose almost 40 per cent between 1978 and 1980. Metals prices rose more than 40 per cent in 1979 alone and a further 7 per cent in 1980, with the slower growth in 1980 resulting from weak international demand, especially declining North American industrial output. Prices of other industrial materials also increased more moderately in 1980, although the copper

strike in the U.S. and international conflicts prevented the slowdown from being more substantial. Food commodity prices advanced almost 25 per cent in 1980 following a 19-per-cent hike in 1979. Sugar prices continued to rise rapidly during 1980 and the more rapid advance of food prices toward the end of the year also reflected anticipated shortfalls in world grain harvests.

The impact of these price shocks is broadly reflected in the growth of consumer prices in OECD countries (Table 3.1). Rates of inflation in the major countries differed substantially in 1978 and the evolution of inflation over the ensuing period also varied from country to country. Germany and Japan maintained more moderate inflation rates than the other economies in 1980 while Italy continued to experience the highest rate. In terms of absolute changes to the rate of inflation in 1978-80, Table 3.1 suggests that the major OECD countries can be broadly classified into three groups. Over the two years, Italy and the U.K. underwent the largest increases in their inflation rates, 9.1 and 9.7 percentage points respectively; the U.S., Japan and France had more moderate increases of between 4.2 and 5.8 points; and Canada and Germany experienced relatively small advances of 1.1 and 2.8 points.

Real wages increased modestly in Japan and Europe in the last three years and fell in Canada and the U.S. These changes were roughly in line with what was warranted by cyclical developments, productivity growth and the terms-of-trade shift. The major exception to this trend was in the U.K. where real wage growth consistently outpaced productivity and terms-of-trade gains after 1977. Among major OECD countries it was only in the U.K. that wage behaviour was a leading factor in the resurgence of inflation. Wage pressures did intensify more generally in 1980, however, as the cyclical expansion came to an end. As shown in Table 3.1, hourly wage rates in Italy, the U.K. and France advanced 22.5, 17.2 and 16.0 per cent respectively. Combined with the slowdown in productivity growth in all major OECD countries, wage pressures became a more important component of the increase in inflation in 1980.

Demand pressures contributed only modestly to the rise of inflation in the period 1978-80. Except perhaps for Japan, real growth was below potential in major OECD countries during this period, and weakened steadily after 1978. The general slowdown in demand can be traced to the weakness of real income growth resulting from the oil price shock, which translated into a steady slowing of real personal expenditure. The rise of interest rates in the OECD area in 1980 and the decline of real income served to severely reduce durable goods purchases and housing investment. Continued budgetary restraint also meant that governments generally did not offset the private-sector demand weakness. Developing excess capacity – attested to by high unemployment rates in the OECD area – meant that demand pressures exerted a relatively slight influence on inflation.

During the run-up of oil and commodity prices in 1973-74, monetary growth remained on a fairly accommodating track in most OECD countries. The stance of monetary policies varied among major countries in the following years as domestic conditions and priorities differed. As oil prices began to increase more rapidly again in late 1978, concern developed that this would lead to higher inflation. Increased emphasis was placed on monetary targetry and a more restrictive monetary stance. In adopting less accommodating monetary policies, the general objectives were to help dampen inflationary expectations and avoid the inflationary implications of currency depreciations.

Table 3.1

Summary of Inflation and Related Factors, Major OECD Countries
(Annual per cent change unless otherwise indicated)

	1976	1977	1978	1979	1980
Canada					
Consumer prices	7.5	8.0	9.0	9.1	10.1
Hourly earnings.....	14.0	10.5	7.1	8.9	10.1
Money supply (M1)	8.0	8.3	10.1	7.2	6.4
Unemployment rate	7.1	8.1	8.4	7.5	7.5
Exchange rate index ⁽¹⁾	100.0	92.4	84.4	81.6	81.5
United States					
Consumer prices	5.7	6.5	7.7	11.3	13.5
Hourly earnings.....	8.0	9.3	8.5	8.6	8.6
Money supply (M1B)	5.5	7.5	8.2	7.7	7.3
Unemployment rate	7.7	7.1	6.0	5.8	7.1
Exchange rate index	100.0	100.8	94.6	93.8	93.7
United Kingdom					
Consumer prices	16.5	15.9	8.3	13.4	18.0
Hourly wage rates	19.8	4.7	18.3	15.0	17.2
Money supply (M1)	16.3	13.5	20.3	12.2	4.2
Unemployment rate	5.3	5.8	5.7	5.4	6.8
Exchange rate index	100.0	94.9	95.5	101.0	110.7
France					
Consumer prices	9.6	9.4	9.1	10.7	13.6
Hourly wage rates	14.1	12.6	13.0	13.0	16.0
Money supply (M1)	15.1	8.2	11.4	12.3	6.9
Unemployment rate	4.4	4.7	5.2	5.9	6.3
Exchange rate index	100.0	94.4	92.9	92.4	92.7
Germany					
Consumer prices	4.5	3.7	2.7	4.1	5.5
Hourly wage rates	5.6	7.5	4.6	5.2	6.0
Money supply (M1)	10.3	8.3	13.3	7.4	2.4
Unemployment rate	4.6	4.5	4.3	3.8	3.8
Exchange rate index	100.0	107.4	113.0	117.4	117.9
Italy					
Consumer prices	16.8	18.4	12.1	14.8	21.2
Hourly wage rates	20.9	27.9	16.2	19.0	22.5
Money supply (M1)	20.7	19.9	23.7	23.9	15.9
Unemployment rate	6.7	7.2	7.2	7.7	7.6
Exchange rate index	100.0	91.4	85.2	81.6	78.5
Japan					
Consumer prices	9.3	8.0	3.8	3.6	8.0
Monthly earnings	12.3	8.5	5.9	7.4	8.1
Money supply (M1)	14.2	7.0	10.8	9.9	0.8
Unemployment rate	2.0	2.0	2.2	2.1	2.0
Exchange rate index	100.0	111.2	137.6	128.5	123.5

⁽¹⁾ Rebased to 1976 = 100 by Department of Finance. Exchange rates are on an effective basis. The index of the effective exchange rate for a country is a measure of that country's trade-weighted average appreciation or depreciation vis-à-vis the currencies of 15 other major countries.

Sources: OECD, *Main Economic Indicators* and *Economic Outlook*, December 1980; and Morgan Guaranty Trust Company of New York, *World Financial Markets*, monthly.

Domestic Developments

The factors influencing inflation in the OECD area in recent years also affected Canada, although as indicated in Table 3.1 the inflation rate has been considerably more stable in Canada than in most other countries. The rate of consumer price inflation rose from about 9 per cent in 1978 and 1979 to 10 per cent in 1980. Canada's domestic energy-pricing policy was an important element in this relatively moderate advance in inflation. The wage response to the new wave of inflation was also moderate in Canada as evidenced by the decline in real wages after 1978. The international oil price shock affected Canadian domestic prices primarily through rising import prices of other products, reflecting oil-price-induced inflation in Canada's trading partners. International food price increases also had an important influence on inflation in Canada during this period, as did developments in other world commodity markets. The increases in input prices after 1978, especially for raw materials, energy and labour, as well as the continued growth of import prices, caused the underlying rate of inflation to rise in 1979 and 1980 after having declined through 1977 and 1978.

Canada's rate of inflation has frequently been heavily influenced by unanticipated and uncontrollable developments in international markets. Since the economy has a high dependence upon international trade, these developments have direct and indirect effects on consumer prices.

Transitory demand pressures and government policies have also had a substantial influence on the rate of growth of the consumer price index (CPI). For these reasons, it is important to draw an analytical distinction between short-lived shock and demand influences on the one hand and more long-lasting underlying trends in inflation on the other.

The "underlying rate of inflation" concept encompasses the more fundamental domestic production-cost developments that occur over time. It sets aside the short-term direct impacts of volatile commodity markets and internationally determined crude petroleum price hikes as well as such policy shocks as sales tax changes. These factors certainly affect the underlying inflation rate eventually, but their erratic timing causes the measured inflation rate to fluctuate considerably in the short run. The major determinants of the underlying rate are the *trend* movements in basic production costs – the prices of labour, capital, energy and other materials. Since a large share of consumption is satisfied directly by imports of goods and services, longer-term trends in exchange-rate-adjusted import prices are also an important determinant of the underlying rate.

Current inflationary shocks may be built into the future underlying rate through the delayed response of factor prices to such shocks. Inflationary expectations are closely related to the underlying rate because both are based largely on the delayed impact of actual inflation, which in turn reflects the historical experience of price shocks, demand changes and underlying inflation.

The underlying rate concept has been quantified in a number of different ways. The most common approach has been to exclude food and energy from the CPI on the grounds that these components are the ones most often affected by temporary shocks. The national accounts implicit price index (IPI) for consumer expenditure excluding food and energy has also been used. While of some value, these measures have two principal drawbacks. First, developing cost increases are not reflected in these measures until they begin to get passed on into final prices for goods and services. Second, these measures ignore the longer-term influence of rising relative prices for food and energy on inflation. Omitting food and energy prices from the measure of underlying inflation essentially goes too far: it smooths out the short-term variations but at the same time removes some of the most important longer-term influences. Alternatively, some analysts have used a model-

based approach to define the underlying rate. In the United States, for example, the Data Resources Incorporated "core rate" is determined as the equilibrium rate of inflation "that would occur on the economy's long-term growth path" in the absence of any shocks. This core rate depends explicitly on the trend movements in production costs, whereas the other measures use indirect proxies to approximate these movements.

The dominant influence on the underlying rate in the past three years has been the slow but steady build-up of labour cost increases. Wages responded to a number of factors during this period, including the phasing out of the anti-inflation guidelines and the inflationary pressures provided by increasing food costs and non-oil import prices. Although real wages declined through the 1978-80 period, the rate of growth of nominal wages continued to advance. The growth of average weekly wages moved up from 6.2 per cent in 1978 to 10.1 per cent in 1980 while increases in average annual compensation, based on national accounts labour income per employee, rose from 5.5 to 8.3 per cent over the same period. Neither of these measures is a fully satisfactory statistical measure of wage inflation, but they do reveal the same upward drift after 1977. The average annual increase provided by new wage settlements, a leading indicator of wage developments, rose from 7.1 per cent in 1978 to 11.1 per cent in 1980, providing further evidence of increased underlying inflation.

Import prices also added to underlying inflation, rising at an average annual rate of 14 per cent between 1977 and 1980. While some of this increase was directly related to oil prices, the higher cost of Canadian imports also reflected the rising inflation trends in Canada's major trading partners—a more indirect result of the oil price shock. The depreciation of the Canadian dollar in 1977 and 1978 was also a major factor in these import price increases. Since imports account for a large proportion of final domestic consumption, trend increases in their costs have a direct impact on Canadian inflation. They also have delayed effects on consumer prices, as higher-priced imported raw materials and intermediate goods are used in the production process. The impact of overall import price changes on domestic inflation can be seen in a comparison of the national accounts implicit price indexes for domestic demand and domestic demand excluding imports (Table 3.2). Since 1978 the rate of advance of the IPI for domestic demand has increased from 7.5 to 10.3 per cent. In contrast, when imports are excluded the increase was from 5.3 to 8.3 per cent. While both rates advanced about three percentage points, the rate excluding imports remained a substantial two percentage points below the total domestic demand IPI in 1980.

The various indicators of underlying inflation suggest that it peaked in the range of 10 to 11 per cent in 1975 following the run-up in wages, oil prices and import costs, before falling to a low of around 7 per cent in 1978. Inertia provided by long-term contracts in input markets prevented the underlying rate from reaching a trough until about two years after the CPI. Production and import cost pressures have generally increased since 1978 and it would appear that the underlying rate responded by advancing into a range of 9.5 to 10.5 per cent in 1980. (In 1980 the CPI excluding food and energy advanced 9.4 per cent, the IPI for domestic demand rose 10.3 per cent and average weekly wages rose 10.1 per cent.)

Peak periods of economic growth typically add to inflationary pressures while recessions tend to provide a dampening effect. Compared to the expansion at the beginning of the 1970s the recent upturn was quite weak and likely contributed only moderately to inflation. In the earlier period the strong growth of real consumer and business expenditure combined with expanding exports, and prices reacted to high and increasing capacity utilization rates.

Table 3.2

Recent Inflation in Canada and Related Factors
(Annual per cent change unless otherwise indicated)

	1976	1977	1978	1979	1980
Consumer prices ⁽¹⁾					
Food at home	1.5	8.9	17.4	13.5	11.2
Energy	15.7	12.4	9.5	9.8	16.1
Services	11.7	8.6	6.8	7.0	8.2
Other	6.0	6.0	5.9	9.1	10.7
Total CPI	7.5	8.0	9.0	9.1	10.1
Total excluding food at home and energy	8.7	7.3	6.2	8.0	9.4
GNE implicit prices					
Consumer	7.4	7.4	7.4	9.1	10.5
Government	12.3	9.3	8.3	9.0	10.8
Housing	11.9	9.5	9.4	12.4	9.5
Business investment	7.6	7.7	8.1	9.8	9.8
Domestic demand	8.6	8.1	7.5	9.4	10.3
Imports	1.2	12.2	13.5	14.7	15.4
Domestic demand less imports	11.4	6.6	5.3	7.1	8.3
Exports	3.1	7.8	8.6	19.0	15.7
Total GNE	9.5	7.0	6.4	10.3	10.5
Manufacturers' selling prices	5.1	7.9	9.2	14.5	13.4
Average weekly wages	12.1	9.6	6.2	8.6	10.1
Non-COLA negotiated settlements	10.9	7.9	7.1	8.7	11.1
Effective exchange rate index (1976 = 100) ⁽²⁾	100.0	92.4	84.4	81.6	81.5
Capacity utilization rate (per cent)	83.0	81.5	83.8	84.9	80.2
Unemployment rate (per cent)	7.1	8.1	8.4	7.5	7.5
World commodity prices					
Food	16.2	31.3	4.1	18.5	23.4
Metals	10.7	0.9	4.4	42.2	6.5
Fibres	24.0	1.0	3.5	14.9	15.4
Total	17.1	21.4	5.1	21.9	17.8
Crude petroleum prices, levels					
World (\$/bbl)	12.88	15.16	16.28	22.66	36.99
F.O.B. Edmonton (\$/bbl)	9.05	10.80	12.88	13.76	16.11

⁽¹⁾ The CPI components for Energy, Services, Other and Total excluding food at home and energy components were calculated by the Department of Finance using Statistics Canada data.

⁽²⁾ See footnote to Table 3.1.

Sources: Statistics Canada, *Consumer Prices and Price Indexes*, quarterly, cat. 62-010; Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; Statistics Canada, *Employment Earnings and Hours*, monthly, cat. 72-002; Labour Canada, *Labour Data*, quarterly; *Bank of Canada Review*, monthly; Morgan Guaranty Trust Company of New York, *World Financial Markets*, monthly; Statistics Canada, *Capacity Utilization Rates in Canadian Manufacturing*, quarterly, cat. 31-003; and *The Economist*, weekly.

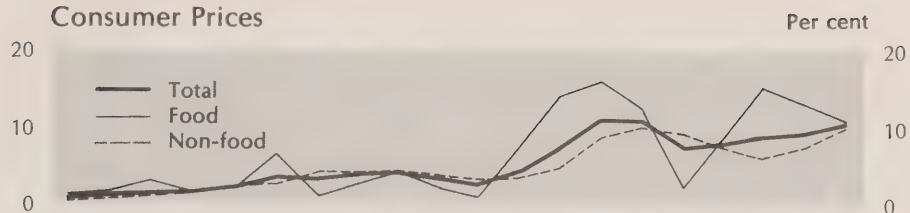
Transitory shocks were important contributors to overall inflation in recent years. Such shocks have historically been of greatest importance for basic commodity prices. Food prices are particularly vulnerable to shocks because of the unpredictability of climatic conditions. Because Canada buys and sells much of its food on international markets, domestic food prices move in line with international prices. Canada is thus affected by food price shocks occurring in other countries. In 1978 domestic and external factors combined to push food prices up 15 per cent. The food price shock continued in 1979 and 1980, although at diminishing rates and

Chart 3.1

Inflation in Canada

(Annual per cent change)

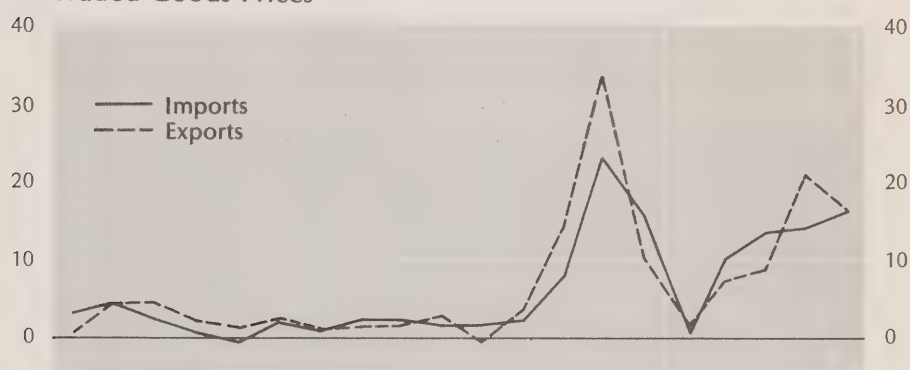
Consumer Prices



Wages



Traded Goods Prices



GNE Implicit Price Indexes



Source: Statistics Canada, *Consumer Prices and Price Indexes*, quarterly, cat. 62-010; Statistics Canada, *Employment, Earnings and Hours*, monthly, cat. 72-002; Labour Canada, *Labour Data*, monthly; Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

with greater anticipation. In 1980 domestic food prices advanced about 11 per cent. Shortfalls in anticipated world grain harvests put substantial upward pressure on international prices in the second half of the year.

Basic raw material price shocks were a second important source of inflation, although they have an indirect, delayed effect on consumer prices. In 1979 industrial metals prices rose over 40 per cent amid strong international speculation. Metals prices rose less than 7 per cent in 1980, however, with the pattern of growth very uneven during the year. Although the increase in commodity prices provided substantial benefits for Canada's terms of trade, which improved by 6.0 per cent in the last two years, these developments were also a source of domestic inflation.

The other important external shock was related to the recent world oil price increases. Although Canadian energy-pricing policy kept domestic energy price increases very moderate relative to international increases, they nevertheless were almost 10 per cent in 1978 and 1979 and 16 per cent in 1980.

Shares of Net National Income

The distribution of national income among the owners of the various factors of production — farmers, workers, landlords, corporations and so on — reflects trends in the demand for and supply of the resources furnished by each group. Thus, for example, the share of national income received by farmers has fallen as the number of farmers has declined, reflecting both relatively slow growth in the demand for food and relatively large gains in agricultural productivity. The income received per group member also responds to demand and supply factors, thereby attracting factors of production to markets where excess demand exists and causing them to depart from markets experiencing excess supply.

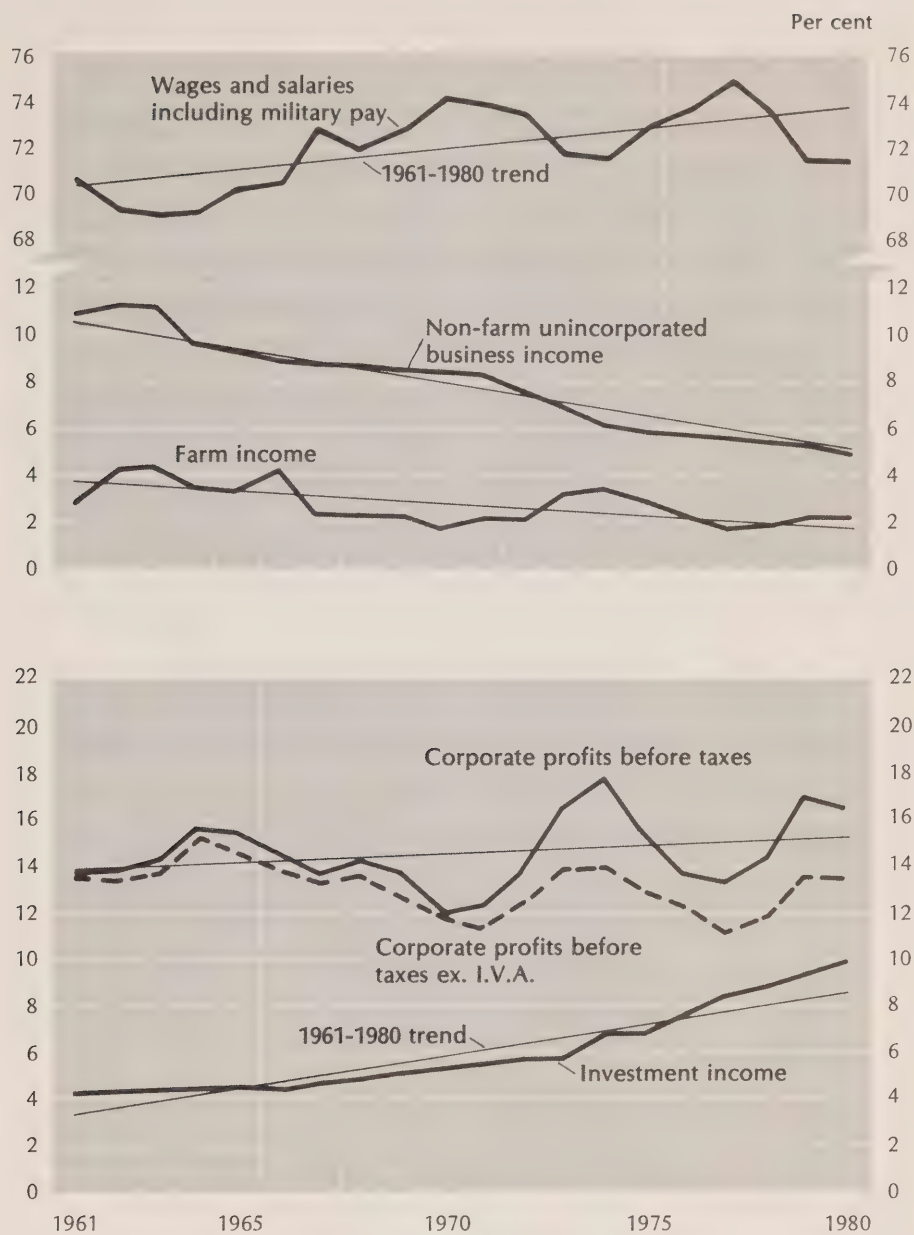
The inflationary process can be viewed in the context of income share developments. As the industrial or regional demand-supply situation changes, relative prices of factor inputs also change, signalling developing economic opportunities in various areas. Downward inflexibility in the prices or nominal incomes of some groups, however, may require the adjustment in relative incomes or shares to be accomplished through greater increases in the nominal incomes paid to other groups. Thus from one point of view it may be said that an important contribution to inflation has come from the unusually large reallocations of resources necessitated by shocks such as the rapid rise in the price of energy, coupled with the essentially incompatible desire to maintain employment and incomes in those sectors experiencing a relative decline.

These influences are more medium-term in nature, however, and in the shorter term income share movements tend to be dominated by cyclical considerations. The corporate profit and labour income shares are the most responsive to changes in the business cycle. The former typically increases in the early stages of a cyclical expansion as productivity recovers, employment grows very little and contractual costs adjust slowly. Toward the end of the expansion, however, new wage settlements increase in response to tighter market conditions and the earlier profit growth, employment rises more rapidly, productivity growth slows and the labour income share advances, largely at the expense of the profit share.

These typical cyclical patterns are observable in the recent evolution of Canadian income shares. After increasing through the moderate expansion of 1976 to 1979, the corporate profit share declined in 1980. Although it remained well above its trend value, the share fell from 16.8 per cent in 1979 to 16.4 per cent last year. The prevalent weakness of demand and sales, combined with high interest and labour costs, was responsible for the decline in this share during the recession.

Chart 3.2

Shares of Net National Income at Factor Cost
(Annual per cent shares)



Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

Strong profit growth in energy-related industries was the major exception to the general slowdown, although the less cyclically-sensitive services industries also performed above average. Profit declines in the manufacturing industries, especially in the durable goods industries, were responsible for much of the fall in the overall profit share.

Mirroring the changes in corporate profits, the labour income share of national income declined in the final years of the 1970s and then remained at 71.4 per cent in 1979 and 1980. Comparatively strong employment and wage growth helped maintain this share last year. While most new negotiated settlements resulted in wage increases in the range of 9 to 12 per cent in 1980, significant disparities in employment growth were recorded among the major sectors of the economy. Strong expansion of employment in the services industries helped to make up for the more moderate gains in manufacturing and the declines in the typically high-wage construction industry.

The other factor shares are less sensitive to cyclical developments than are corporate profits and labour income. The interest and miscellaneous investment income share has increased steadily in the past two decades, growing most rapidly in the 1973-80 period. This increase can be traced to rising interest rates and the sustained high personal savings rate in the 1970s as well as to the rapid growth of natural resource royalties accruing to provincial governments following the OPEC price increases. The increase in this share in 1980, to 9.7 per cent of net national income, was related to these factors. Provincial government oil and gas royalties continued to increase as the wellhead price of domestic crude oil advanced \$3.00 a barrel. The dominant factor, however, was the exceptionally high interest rates in the second and fourth quarters. Personal income earned on bank deposits and other interest-bearing instruments advanced sharply and personal investment income as a whole rose 20 per cent in 1980.

The farm income share varies widely around its trend, but in this case fluctuations are related more to changes in livestock cycles, domestic crop yields and world food prices than to the business cycle. In 1980 these factors acted to maintain the farm income share at about 2.0 per cent of national income. The stock-liquidation phase of the domestic hog cycle served to depress farm prices and incomes in the first half of the year. At the same time the run-up of interest rates and the impact of the early summer drought on feed grain prices resulted in a sharp increase in operating costs. Livestock marketings were increased as feed shortages developed and incomes of both livestock breeders and crop farmers fell.

A number of these influences were reversed in the second half of the year and farm incomes made up some lost ground. The end of the drought conditions in the Prairies improved domestic crop prospects and increased the availability of feed grains to livestock farmers. The easing of interest rates over the summer months also helped reduce operating costs. Livestock prices turned up toward the end of the summer following the decline in herds during the drought. Finally, incomes of Canadian grain exporters benefitted from higher wheat exports and the world price increases that followed shortfalls in Russian harvests in the fall.

The share of unincorporated business income fell below 5 per cent of national income in 1980. This share exhibits relatively little cyclical sensitivity and its downward trend is attributable to the increasing degree of incorporation in the business sector in the last two decades. Three groups account for a large proportion of unincorporated business income: independent professional practitioners (chiefly doctors, dentists, lawyers and engineers), landlords and owners of small retail stores. Of these, the income of the latter is somewhat sensitive to

business cycle swings although many of these stores tend to specialize in non-durable goods for which demand is quite stable. The moderate growth of rental income since the mid-1970s following the imposition of rent controls in most provinces has also put downward pressure on this share.

4. Sectoral and Regional Developments

The major sectors and regions of the Canadian economy were affected differently by the world recession, especially in the United States, and by the resulting cyclical slowdown in Canada, as well as by such medium-term developments as the slower trend rate of economic growth, changes in the pattern of world trade, and the increased competitiveness of Canadian exports resulting from the depreciation of the Canadian dollar, all of which are noted in other chapters. In addition, there were particular developments, such as drought and labour disruptions, which affected some sectors and regions much more than others. The relative shift of economic activity to the westernmost provinces continued.

The output of goods, especially in certain manufacturing industries and in fishing and forestry, decreased in 1980. In manufacturing, the automobile and parts industry and those industries supplying it with materials were the most affected by the cyclical downturn and also by the shift of consumer demand to smaller fuel-efficient cars. These industries are largely concentrated in Ontario and consequently that province was affected the most. Production was maintained or increased by some manufacturing industries – including industrial chemicals, aircraft and parts, shipbuilding and repairs, electrical industrial equipment and communication equipment – partly because of the lower value of the Canadian dollar.

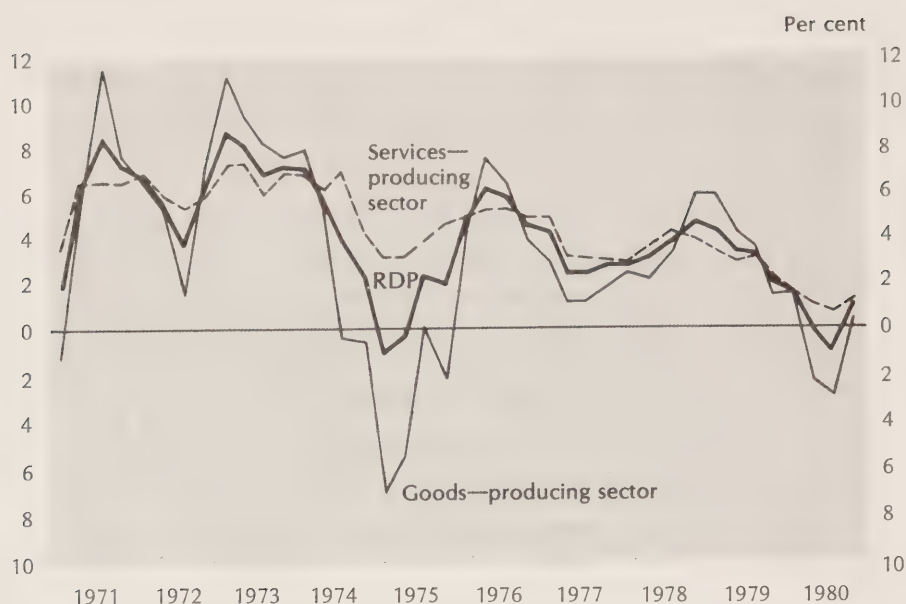
Forestry production diminished as export demand for lumber fell due to a decline in housing starts in the United States, even though lumber exports were more diversified and the exports of pulp and paper were maintained. Reduced salmon catches on the west coast and labour disputes on the east coast brought about a drop in fish catches despite the beneficial effect of the 200-mile limit. Construction output increased slightly as the decline in housing starts, which continued throughout most of the country, was more than offset by increased non-residential construction, particularly in the two westernmost provinces.

Mining output increased slightly as a decline in mineral fuels production was more than offset by gains in metal and non-metal output. Crude oil production declined from the high level of the preceding year when the shortfall in supply from the Mideast had been offset by increased output in Alberta. Export demand decreased for zinc, lead and iron ore, but there was a sharp recovery of nickel and copper production after a prolonged labour dispute in 1978 and 1979. Output increased in agriculture, even though there was severe drought in some parts of the Prairies, and also in utilities as the demand for energy remained relatively strong and generating capacity was expanded further.

The output of services, which typically responds less sharply than goods production to the business cycle, expanded moderately in 1980. Both trade and transportation activity declined, however, in response to the cyclical downturn, while the output of public administration was little changed due to continuing programs of restraint by governments. Increased output occurred in the finance, insurance and real estate, and the community, business and personal service sectors.

Chart 4.1

Real Domestic Product (Year-over-year per cent change)



Source: Statistics Canada, *Indexes of Real Domestic Product by Industry*, monthly, cat. 61-005.

Table 4.1

Main Economic Indicators by Sector Real Domestic Product

	Share of total in 1980	1979	1980
	(per cent)	(per cent change)	
Agriculture.....	2.6	-1.8	1.0
Non-agricultural primary industries	4.1	7.7	0.5
Manufacturing.....	21.4	3.9	-2.6
Construction	6.3	2.0	1.4
Total goods-producing sector	34.4	3.5	-1.3
Transportation, storage, communication and utilities	13.7	6.1	1.9
Trade	11.8	2.8	-1.9
Finance, insurance and real estate	13.6	3.2	3.8
Community, business and personal services	19.6	1.9	1.1
Public administration	6.9	-0.4	0.1
Total services sector	65.6	2.9	1.1
Total all industries	100.0	3.1	0.3

(Table 4.1 Contd.)
Employment

	Share of total in 1980	1979	1980
	(per cent)	(per cent change)	
Agriculture	4.5	2.1	- 1.3
Non-agricultural primary industries	2.8	5.6	8.6
Manufacturing	19.7	5.8	1.7
Construction	5.8	1.3	- 3.3
Total goods-producing sector	32.8	4.4	0.9
Transportation, storage, communication and utilities	8.5	4.9	0.1
Trade	17.2	3.9	1.4
Finance, insurance and real estate	5.7	1.3	10.0
Community, business and personal services	28.9	4.9	4.5
Public administration	6.9	- 0.7	5.8
Total services sector	67.2	3.8	3.7
Total all industries	100.0	4.0	2.8

New Capital Expenditures⁽¹⁾ (Current Dollars)

	Share of total in 1980	1970-78 ⁽²⁾	1979	1980
	(per cent)	(per cent change)		
Agriculture	7.8	19.6	23.9	2.5
Non-agricultural primary industries	16.1	14.2	44.4	41.5
Manufacturing	17.5	8.5	20.5	27.7
Construction	2.0	15.6	12.6	9.8
Total goods-producing sector	43.3	12.4	27.8	25.7
Transportation, storage, communication and utilities	24.0	14.2	11.7	11.2
Trade	3.0	10.4	31.0	4.5
Finance, insurance and real estate	6.8	20.8	28.5	14.6
Community, business and personal services	10.9	9.9	28.4	11.8
Public administration	11.9	13.0	4.3	6.8
Total services sector	56.7	13.4	15.5	10.4
Total all industries	100.0	13.0	20.1	16.5

⁽¹⁾ Excludes housing.

⁽²⁾ Average annual compound increase.

Sources: Statistics Canada, *Indexes of Real Domestic Product by Industry*, monthly, cat. 61-005; *The Labour Force*, monthly, cat. 71-001; and *Private and Public Investment in Canada*, annual, cat. 61-206.

Among the major regions, Ontario is estimated to have been the most affected by the business cycle. Economic activity in the Atlantic region and Quebec is estimated also to have declined. The volume of output continued to increase in the Prairie region and British Columbia largely in response to the energy-related boom in the west.

These movements in output were broadly reflected in the labour market. Although national employment growth was relatively strong in comparison with the slight rise in real domestic product, the increase in employment was concentrated in the service sectors, especially in community, business and personal services, finance, insurance and real estate, and public administration. In the goods-producing sectors, employment declined in agriculture and construction, and only in the other primary industries category (which includes mining, forestry, fishing and trapping) did employment rise sharply. Relatively strong growth in the labour force and employment occurred in British Columbia and the Prairie and Atlantic regions. The average annual rate of unemployment in 1980 rose relatively sharply in Ontario and Quebec, remained unchanged in the Prairie region and decreased significantly in British Columbia and the Atlantic region, particularly in Newfoundland.

Agriculture

As is often the case, weather conditions played a major role in determining the level of output in agriculture in 1980. In addition, the hog and cattle cycles were also important.

Although farm cash receipts increased less rapidly than the year before, agricultural output in 1980 is currently estimated to have experienced modest growth following the decline in the preceding year. Grain production increased in spite of the drought on the Prairies, which affected Manitoba most severely, and the wet weather during the harvest in western Canada, Ontario and Quebec. The damage caused by the drought was not as severe as was estimated during the late spring and early summer. Average yields per acre were higher than in 1979 for all major grain crops except rye. Production of oilseeds – flaxseed and rapeseed – declined substantially as seeded acreage was reduced, reflecting the high levels of stocks of flaxseed at the end of the 1979-80 crop year and drought conditions on the Prairies. The fruit crops were generally above those of the preceding year, vegetable crops were similar to or slightly below those in 1979, while the potato crop, particularly in the Maritimes, was smaller. Increased hog production continued into 1980. Although the inventory of hogs showed little change after having increased rapidly in the preceding four years, exports of hogs to the United States were sharply up and the number of hogs slaughtered increased strongly. Expansion appeared to have slowed during the year as the breeding stock decreased and farrowings declined. Cattle herd rebuilding, which began in 1979, was rather slow. Abundant supplies of pork restrained feeder cattle prices, although in the second half of 1980 prices began to recover from the low levels of the second quarter. High interest rates and higher feed grain prices, together with the drought conditions in parts of the Prairies, further adversely affected herd rebuilding. Dairy production increased strongly from the previous year.

Fishing

In the past few years output in the fishing sector has generally increased, especially strongly on the east coast, in response to the continued impact of the 200-mile fishing limit and increased quotas to Canadian fishermen. The rate of increase, however, has been less marked on the Pacific coast as salmon catches have not increased rapidly. According to preliminary data, fish landings in 1980 were down slightly on the Atlantic coast, reflecting mainly labour disputes in Newfoundland, and declined sharply in British Columbia where salmon catches dropped as the stock was down and herring catches were lower because of labour disputes. Prices showed little change, so the value of catches was down – sharply in British Columbia and slightly on the Atlantic coast.

Forestry

Output in the forestry sector grew strongly in the past few years but declined in 1980 as a result of reduced exports because of the very low level of housing starts in the United States. Even though forestry production expanded strongly after the recession in 1975, output in 1979 had only regained the level of 1973.

The forest industry benefitted greatly from the decline in the value of the Canadian dollar after 1976. Exports to Japan and other countries of the Pacific Rim became progressively more important. In the United States, the increased price competitiveness helped Canadian producers increase their share of the market.

Forestry output in 1980 declined in the western provinces, particularly in British Columbia, as a result of lower exports of lumber. However, forestry production increased relatively strongly in a number of provinces east of Saskatchewan. These provinces produce more pulpwood than sawlogs, and even though they faced prolonged labour disputes during the summer (which continued late into the year at some plants in Quebec and Ontario), the build-up of inventories in anticipation of these disruptions, along with strong lumber production in some of these provinces, contributed to the increased forestry production in the year. In total, however, forestry output in Canada declined in 1980, but by much less than during the 1975 downturn.

Mining

In addition to the impact of cyclical swings, Canadian mineral production in recent years has been affected by such diverse factors as labour disputes, capacity constraint (in the case of crude oil) and international political instability. Consequently, real output of this sector increased moderately in 1976 and 1977, declined sharply in 1978, rebounded in 1979, and increased slightly in 1980.

Among mineral fuels, crude oil production has been subject to declining production capacity in recent years, and annual output generally decreased from 1974 to 1978. In 1979, however, domestic production rose sharply to meet the shortfall in supply from the Mideast (Table 4.2). Production after early 1980 fell from the

Table 4.2
Supply and Disposition of Crude Oil and Natural Gas⁽¹⁾

	Annual			1979				1980		
	1977	1978	1979	I	II	III	IV	I	II	III
Crude oil and equivalent (thousands of barrels per day)										
Net domestic production.....	1,450	1,429	1,611	1,588	1,596	1,593	1,666	1,595	1,524	1,531
Imports.....	669	615	611	670	553	574	645	604	535	537
Total supply	2,119	2,044	2,221	2,258	2,149	2,167	2,311	2,199	2,059	2,068
Deliveries to refineries	1,797	1,791	1,946	1,943	1,867	1,939	2,034	1,929	1,857	1,889
Exports to U.S.	326	266	288	322	293	252	287	249	208	177
Natural gas (millions of cubic feet per day)										
Domestic production ⁽²⁾	7,492	7,179	7,727	9,207	7,138	6,294	8,267	9,192	6,034	5,466
Domestic sales: total	3,918	4,035	4,205	6,006	3,727	2,689	4,398	5,989	3,477	2,568
Residential.....	859	901	929	1,764	733	280	939	1,685	597	315
Commercial.....	814	872	895	1,614	729	315	924	1,659	673	392
Industrial	2,245	2,262	2,380	2,628	2,264	2,093	2,535	2,644	2,207	1,860
Exports	2,749	2,412	2,739	2,818	2,626	2,415	3,098	2,741	1,841	1,678

⁽¹⁾ Due to rounding and changes in inventories, totals may differ from the sum of the components.

⁽²⁾ Marketable gas only.

Sources: Statistics Canada, *Crude Petroleum and Natural Gas Production*, monthly, cat. 26-006; and *Refined Petroleum Products*, monthly, cat. 45-004.

year-earlier levels. Although results of drilling off the coast of Newfoundland suggest large additional reserves of oil and natural gas, commercial production is still some time away. The Syncrude plant in Alberta came on stream in late 1978 to supply synthetic oil, but production has been curtailed by technical problems.

Natural gas production has increased slowly in recent years, despite relatively large reserves, as a result of sluggish domestic consumption and stagnant exports. In 1980, exports fell substantially, to about two-thirds of the year-earlier levels during the second and third quarters, as some users in the United States obtained alternative supplies at lower prices and a mild winter reduced domestic residential sales. Coal production has risen faster in recent years as a result of both rapid increases in the domestic use of thermal coal for electric power generation and higher exports of metallurgical coal from western Canada. Although such exports to Japan were unfavourably affected by lower Japanese steel production in the second half of 1980, total coal production rose in 1980.

Metal mining output in recent years was affected not only by prolonged labour disputes and the subsequent recovery, but also in 1980 by recessions in Canada and the United States and a slowdown of European economic growth. The average annual Canadian production of metal minerals in the past three years was considerably below that in the 1974-77 period due to labour disputes in iron ore, nickel and zinc mines and reduced export demand.

Among non-metallic minerals, potash production increased strongly in the 1976-80 period primarily because of good export demand for fertilizer. Asbestos is also produced mainly for export, but demand was relatively weak in the past three years because of slow economic growth in the western world, and there were some labour disputes in 1980.

Employment in the mining sector declined in recent years as a share of total employment, but mining investment registered a relative increase as energy-related capital expenditures rose substantially.

Manufacturing

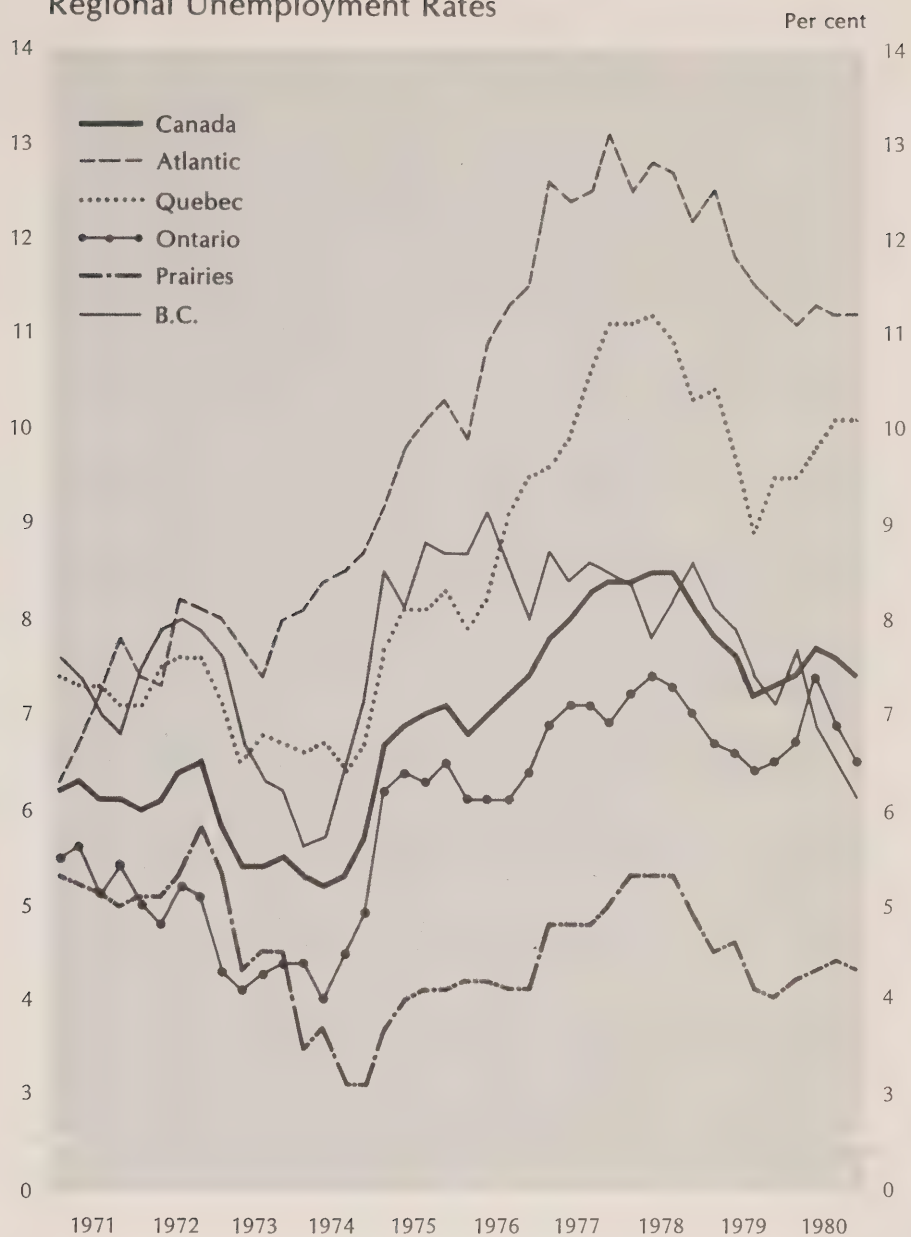
During the cyclical expansion in manufacturing production, which began in the third quarter of 1975 and ended in the fourth quarter of 1979, output grew at a compound annual rate of 3.9 per cent. In the 1980 downturn, production declined by 4.8 per cent. The growth in output during this expansion was not as strong as that experienced in the previous business cycle and similarly the decline during the downswing was less severe. The depreciation of the Canadian dollar has enabled Canadian manufactured goods to be more competitive.

In 1980, a cyclical decline occurred in about half of the 20 major manufacturing industries and the major weakness was in the automobile and parts industry. Annual production in this industry fell by almost one-quarter from the previous year and output in the second quarter of 1980 was close to the level of 1971. The annual output of motor vehicle and truck body manufacturers was down by nearly one-fifth and the production of automobile parts and accessories was diminished by almost one-third. If production of motor vehicles and parts is excluded from the manufacturing sector, the annual decline in manufacturing production was just above 0.5 per cent. The slump in the automobile industry also had an adverse effect on a number of related industries, particularly rubber and plastic products.

The downturn in the automobile and parts industry began in the second quarter of 1979 and continued until the third quarter of 1980 when output rose. The downturn was due to a large build-up of inventory and lower demand. Stocks of finished products increased on average by just over 50 per cent between 1978 and 1979 and remained very high in 1980 in spite of an inventory correction. As the industry cut production to reduce stocks, widespread layoffs occurred which were particularly large early in the year. In addition to the large accumulation of

Chart 4.2

Regional Unemployment Rates



Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001.

inventory, the industry faced diminished demand for its products. In 1980, real personal disposable income increased very slowly in Canada and the United States, cost of credit was very high and automobile prices increased faster than consumer prices. In order to increase demand, Ontario introduced a retail sales tax rebate and the industry and dealerships launched sales promotion schemes. However, sales of motor vehicles declined in Canada, with an even sharper decline in the United States which is the market for three-fourths of the Canadian production of passenger cars. Besides the adverse effects of the economic recession on the demand for automobiles, there was a shift towards imports from overseas. In the U.S., the market share of overseas passenger cars increased from 21.5 per cent in 1979 to 26.5 per cent in 1980, and in Canada the sales of North American manufactured cars decreased 14.2 per cent while those of Japanese cars increased nearly three-fourths.

The second major element that contributed to the downturn in manufacturing production was the recession in residential construction. In response to the decrease in the number of housing starts in Canada and the United States, the output of construction-related industries – wood, non-metallic minerals and furniture – dropped significantly. In the wood products industry, for example, the inventory of finished products was at very high levels in 1980 as it rose over 40 per cent between January and December when domestic and foreign demand dropped. Exports of lumber to the United States fell and in Canada the stock / sales ratios of the wholesale merchants of lumber and building materials were high.

Recent production developments in the textile, clothing and footwear industries also reflect the cyclical economic pattern to a certain extent. After the 1975 economic recession these industries began to grow again and this growth was relatively strong in 1978 and 1979. Production fell in these industries in 1980, however, as the production of automobiles and furniture declined and personal disposable income increased slowly. Other factors have also influenced the output in these industries in recent years.

The import quota imposed in 1976 on almost all clothing, and its subsequent replacement with bilateral agreements negotiated with the main countries exporting clothing, cloth and yarn, served to stimulate production. Canadian production was also encouraged by the depreciation of the Canadian dollar, especially in the clothing industry where high tariffs already apply to most imports. Finally, the lifting of the sales tax in Quebec between April 1978 and March 1979 had an impact on the textile and clothing industries, among others, and stimulated their production. However, after the end of 1979, production in these industries followed the trend of manufacturing production in general and fell until the second quarter of 1980, after which there was a modest recovery.

Capacity utilization rates in the clothing industry reached 100 per cent during the last quarter of 1978 following the Quebec tax exemption. This was followed by a consistent downward trend which brought the rates closer to the historical average. In the textile industry, however, capacity utilization remained very high after 1978 and there were also steady increases in utilization rates in knitting mills after that year. Capacity utilization in the leather industry remained relatively low.

Following very low levels in 1977, employment in these three industries recovered to some extent, but was still below pre-1975 levels. Investment also increased in 1979 and 1980, reflecting the favourable effect of import quotas and various government programs designed to assist business.

A number of manufacturing industries did experience increased output in 1980. The most notable growth was in the printing, publishing and allied industries which

were operating at full capacity. Output increased particularly strongly in commercial printing. Increased production in the primary metals industry was mainly concentrated in smelting and refining, reflecting a recovery in production from work stoppages mainly in Quebec in 1979 when smelting and refining output dropped below the levels of 1971. However, this export-oriented industry may have benefitted also from the depreciation of the Canadian dollar. Output of the chemical and chemical products industry, which has an abundant supply of feedstocks and has increased substantially its capacity particularly in Alberta, increased in response to a higher volume of exports in the first half of 1980. The food and beverage industry, which is not so vulnerable to cyclical fluctuations, maintained its steady growth in spite of a reduction in the volume of fish products due to work stoppages in the summer. The output of the paper and allied industries changed little after two years of strong growth, despite work stoppages during the summer, as export demand remained strong. The output of the metal fabricating and petroleum and coal products industries was likewise little changed.

Construction

Construction output experienced a small increase in 1980 as the increase in non-residential construction more than offset the decrease in housing starts as well as a large increase in time lost due to labour disputes. The output of the residential building segment of the industry has been declining since reaching a peak in 1976. The sharp increase in residential construction in 1976 and subsequent slackening in demand, as real personal disposable income rose more slowly, resulted in a large inventory of unsold dwelling units. The number of newly completed unoccupied housing units at the end of 1977 was up by three-fourths from the levels at the end of 1975. These high levels of inventory and slower growth in demand have resulted in reduced residential building output since 1977. Even though inventories had been reduced by September 1980 to the lowest levels since December 1973, housing starts fell as interest rates rose steeply and the recession began.

In the non-residential segment of the industry, industrial construction increased and significant expenditures were undertaken by metal mines and a number of manufacturing industries. However, construction output was adversely affected as government expenditure restraint programs continued and as spending by institutions, particularly schools, slowed down in response to relatively smaller increases in population.

Utilities

The output of the utilities sector, which consists of electric power generation and distribution, natural gas distribution and water works, continued to increase in 1980 but at a much lower rate than in the preceding years. Although it did not decline as in 1975, the output of electric power utilities grew at a relatively slow rate in 1980, reflecting the reduced levels of production in some of the manufacturing and mining industries, the relatively mild weather during the winter and reduced housing starts. Exports of electric energy declined slightly, although they continued to increase from Quebec as added capacity came on stream, and this helped to sustain growth in the sector. The rate of increase of gas distribution was up only slightly during 1980, reflecting also in part the mild weather during the year.

Transportation, Storage and Communication

The growth in output of this sector slowed sharply in 1980 as a result of the recession. Railway transportation, which accounts for a large portion of the sector, decreased in 1980 as shipments of automobiles and parts, iron ore, metals, lumber, pulp and paper and other products declined. Truck and water transportation also showed declines in response to the reduced activity in manufacturing, while pipeline movements decreased as mineral fuels output was lower. However, air, urban and inter-urban transportation showed increases. Over all, the output of the transportation sector declined. Storage and communication output continued to grow in 1980, but to a lesser extent than in the previous few years.

Trade

The growth of real output of the trade sector slowed in recent years primarily because of relatively small increases in real personal expenditure on consumer goods and services and relatively slow real gross fixed capital formation in 1977 and 1978. Consumer expenditure affected directly retail trade and indirectly wholesale trade, whereas fixed capital formation and related manufacturing activities affected primarily wholesale trade. In 1980, the volume of consumer expenditure on goods decreased slightly and, as already noted, manufacturing output declined so that both retail and wholesale trade activities decreased.

Finance, Insurance and Real Estate Services

The output of this sector increased relatively strongly in 1980. Slower growth in the output of banking institutions was more than offset by a very large increase in stock market transactions. The number of shares traded on the Toronto stock market increased by one-half in 1980 and activity was equally strong on the Vancouver stock market. Life insurance sales increased considerably and the resale real estate market showed some increased activity. The growth in the output of finance, insurance and real estate services was accompanied by a sharp increase of 10 per cent in employment in 1980.

Community, Business and Personal Services

The output of this sector grew moderately and relatively steadily in the past decade until 1979, when the annual growth rate was the lowest in the past 25 years, and a smaller increase in the rate of growth took place in 1980. The reasons for the recent slowdown in growth were primarily a decline in education and related services due to low student enrolment, sluggish demand for amusement, recreation, food and accommodation services because of the relatively slow increase in real personal disposable income, and a drop in the growth rate of services to business management.

Public Administration and Defence

Real output growth of this sector slowed in the 1976-78 period, declined marginally in 1979 and was little changed in 1980, primarily because of government budgetary restraints, particularly by the federal government. The output of federal administration (including defence), which accounts for nearly one-half of the production of this sector, declined in 1979 and 1980 as employment was reduced, whereas the output of provincial and local administration continued to increase. In the past 20 years, the federal government's share of the total output of this sector declined from about 63 per cent in 1961 to less than 47 per cent in 1980, whereas the share of provincial administration rose from less than 18 per cent to over 30 per cent, and that of local administration rose from less than 20 per cent to over 23 per cent.

Regions

Atlantic Region

Real economic activity in the Atlantic region is estimated to have decreased in 1980. The largest drop in output was in Newfoundland, while little change is estimated to have occurred in the level of real production in Nova Scotia and New Brunswick. Particularly sharp output declines for the region occurred in mining as a result of reduced metal mining in Newfoundland and New Brunswick; in construction, where output fell particularly sharply in New Brunswick; and in trade as retail sales increased by much less than the rate of inflation. The rate of employment growth was one of the strongest among all the major regions in 1980, and the average annual rate of unemployment declined sharply.

Within the primary sector, preliminary data indicate that both the volume and the value of fish landings declined. Much of the volume decline was in Newfoundland where labour disputes occurred in January and July. Mining output decreased sharply as a result of the recession in North America. Large layoffs occurred in the iron ore mines of Newfoundland, metal production dropped in New Brunswick as a

Table 4.3

Main Economic Indicators by Region**Labour Market**

	Employment		Labour force		Unemployment rate	
	1979	1980	1979	1980	1979	1980
	(per cent change)				(per cent)	
Atlantic region	4.1	3.8	3.2	3.1	11.8	11.2
Quebec	3.3	2.5	1.8	2.8	9.6	9.9
Ontario	4.2	1.4	3.4	1.8	6.5	6.9
Prairie region	4.9	3.9	4.0	3.8	4.3	4.3
British Columbia	3.3	5.5	2.6	4.5	7.7	6.8
Canada	4.0	2.8	3.0	2.8	7.5	7.5

Current Dollar New Capital Expenditures

	Total			Residential			Other		
	1970-78 ⁽¹⁾	1979	1980	1970-78 ⁽¹⁾	1979	1980	1970-78 ⁽¹⁾	1979	1980
	(per cent change)								
Atlantic region	9.8	21.8	-1.4	15.0	9.2	-9.2	8.8	25.1	0.3
Quebec	15.5	9.8	4.2	15.9	4.1	-12.4	15.3	11.3	8.2
Ontario	10.6	9.8	10.3	14.1	-4.1	-12.2	9.7	14.2	16.2
Prairie region	19.1	23.3	15.0	27.4	3.6	-13.3	17.3	29.3	22.0
British Columbia ⁽²⁾	13.8	21.2	28.1	16.2	2.8	35.3	13.1	26.9	26.3
Canada	13.9	15.9	12.1	17.6	1.5	-5.7	13.0	20.1	16.5

Other Indicators

	Farm cash receipts		Wages and salaries		Retail sales	
	1979	1980	1979	1980	1979	1980
	(per cent change)					
Atlantic region	13.2	15.7	11.6	7.9	12.1	5.4
Quebec	15.8	12.6	9.8	11.3	14.2	6.4
Ontario	16.7	10.1	9.8	9.6	9.2	7.8
Prairie region	20.1	10.6	15.2	14.6	14.5	12.5
British Columbia	12.2	14.8	12.3	14.2	11.6	14.6
Canada	17.9	11.1	11.0	11.3	11.9	8.9

⁽¹⁾ Average annual compound increase.

⁽²⁾ Includes Yukon and the Northwest Territories.

Sources: Statistics Canada, *The Labour Force*, monthly, cat. 71-001; *Estimates of Labour Income*, monthly, cat. 72-005; *Retail Trade*, monthly, cat. 63-005; and Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*, annual, cat. 61-206.

result of a long labour dispute, and gypsum production fell in Nova Scotia as exports declined. However, coal output increased strongly in Nova Scotia in response to increased demand partly reflecting the opening of another coal-fired electric power generation station early in the year in the province. Increases occurred in both agriculture and forestry. Although the potato crop and cattle slaughter were lower than the year before, the output of most other products was higher, particularly hog slaughter and dairy and egg production. Farm cash receipts grew at a rate above that in the rest of the country.

In the secondary sector, manufacturing activity is estimated to have increased slightly in 1980, largely reflecting a strong recovery in New Brunswick after a lengthy labour disruption in 1979 in the pulp and paper industry. Construction activity declined as there was a sharp drop in housing starts in the three Maritime provinces; starts were up strongly in Newfoundland although a long labour dispute adversely affected output. Net generation of electricity increased in New Brunswick and Nova Scotia, but decreased relatively strongly in Prince Edward Island which, since the laying of the submarine cable, has been obtaining more and more of its electric energy requirements from New Brunswick.

Except for trade and transportation, the other components of services are estimated to have increased their output. The transfer of the federal Department of Veterans Affairs to Charlottetown helped sustain growth in public administration.

Labour income in the region in 1980 increased at a rate below the national average. Employment grew faster than at the national level, with the rate of growth in Newfoundland being second only to that in Alberta. The labour force also increased more rapidly than in the rest of the nation, but less rapidly than employment. As a result, the annual average rate of unemployment declined. The decline was sharpest in Newfoundland, but the unemployment rate in that province continued to be the highest among all provinces. The unemployment rate remained unchanged in New Brunswick, but declined in the other two provinces.

Quebec

The pace of economic activity in Quebec is estimated to have declined slightly. Largest declines in output occurred in construction, mining, and in trade as retail sales rose by less than the consumer price index. The decrease in manufacturing was less than in Ontario or the nation as a whole, and most other sectors are estimated to have had increased output. Employment continued to grow at less than the average for the nation, and the average annual rate of unemployment rose.

In the primary sector, relatively strong growth occurred in agriculture largely as a result of much higher hog and cattle slaughter, increased dairy production and a larger fruit crop. Farm cash receipts increased at above the national rate. Forestry output declined slightly. Pulpwood production rose earlier in the year as inventories were increased in anticipation of labour disputes which began in July, but declined for the year as a whole reflecting lower shipments of newsprint and prolonged labour disputes. Lumber production increased in response to export demand. In mining, however, reduced export demand curtailed iron ore production as well as asbestos output which was also adversely affected by a labour dispute.

Among manufacturing industries, output increased in the food and beverage, smelting and refining (reflecting recovery from the labour disputes in 1979 in iron and steel and aluminum) and metal fabrication industries. Pulp and paper production was curtailed in the second half of the year by labour disputes. Construction activity declined further in 1980 as hydro-electric projects moved closer to completion and housing starts dropped. Utilities output rose as electric power generation increased in response to additional capacity and strong export demand.

In the service sector, trade activity declined relatively sharply as retail sales increased at below the national rate. However, output in most of the other service sectors is estimated to have increased relatively strongly.

Labour income in 1980 increased at the national rate. Employment increased at slightly below the national rate, whereas the labour force increased at the national pace, and Quebec's average annual rate of unemployment rose.

Ontario

Economic activity in Ontario declined relatively sharply since the cyclical downturn, as already noted, particularly affected manufacturing output in that province. Construction output fell, along with that in transportation, trade and public administration. Strongest growth occurred in the primary sector. Both employment and the labour force grew at rates below the national average, and the unemployment rate rose.

Output in the primary sector rose relatively strongly. The mining industry recovered from the prolonged labour dispute in nickel mining and also benefitted from increased exports of copper as a result of the labour dispute in the copper industry in the United States. Although farm cash receipts increased at the slowest rate in the country, there were increases in the slaughter of cattle and hogs and higher dairy and egg production.

Manufacturing, the main goods-producing sector of the provincial economy, was relatively severely affected by the economic downturn. The decline in manufacturing activity was quite widespread, but the effect was most pronounced in the province's largest industry, transportation equipment, which experienced sharp reductions in exports and domestic sales of motor vehicles and parts. Reduced demand and large inventories of finished products resulted in widespread layoffs in the motor vehicle and parts industry and the effects spread to related industries; the value of shipments of rubber and plastic products and of primary metals increased only marginally. As consumer demand declined, output decreased in consumer-oriented industries — tobacco, leather, textile and clothing — and towards the end of the year the provincial sales tax on selected consumer goods was temporarily reduced. However, a number of other industries had increased output. The strongest increase was in the printing, publishing and allied industries which were operating at high levels of capacity utilization. Shipments of the paper and allied products, chemical and chemical products, petroleum and coal products, and miscellaneous industries also increased relatively strongly, reflecting increased exports of most of these products.

Construction activity decreased as housing starts declined further in 1980. However, the inventory of new unoccupied dwelling units also continued to decline throughout the year, with the sharpest decline being in row and apartment units. Non-industrial construction increased as the value of new capital construction rose at above the national rate.

Among services, trade activity in 1980 is estimated to have declined; retail sales in Ontario increased at a rate less than the rise in the consumer price index. Reflecting the decrease in goods production, transportation activity also declined. Public administration output declined again as government programs of expenditure restraint continued. Increases occurred in the remaining service sectors.

Growth in labour income in Ontario was one of the lowest among the major regions, reflecting in part the relatively weak increase in employment. The growth in the labour force was also weak, but exceeded the expansion in employment, so that the average annual rate of unemployment rose, the increase being the highest among the regions.

Prairie Region

The volume of economic activity again increased in the region, although at a slower rate than in the preceding year, and this took place in spite of drought conditions in Saskatchewan and particularly in Manitoba. The economy of Alberta is estimated to have been the strongest growing in the nation in 1980. The only major sector in the region to have lower output was mining, as a result of reductions in crude oil and natural gas production from the high levels attained in the previous year.

In the primary sector, agricultural production in Manitoba and Saskatchewan was unfavourably affected by drought early in the crop growing season and wet weather at harvest time; Alberta, however, had much better weather conditions and yields of most crops increased. Cattle slaughter decreased from the previous year, but dairy, egg and poultry production increased. Farm cash receipts grew at below the national rate, largely as a result of the weaker growth in Saskatchewan and Manitoba. In the mining industry, crude oil production has been subject to capacity constraint, and natural gas production was affected by lower export demand as some buyers in the United States found cheaper sources of supply. Coal, potash, nickel and copper outputs were at relatively high levels.

The value of manufacturing shipments in the region increased at above the national rate in 1980. In construction, decreases in housing starts in all three provinces and in non-residential construction in Manitoba were more than offset by an increase in non-residential construction in Alberta. Utilities output increased, largely reflecting the strong increase in Alberta.

In the service sector, all industries had increased output, with the largest increases being in Alberta. Retail and wholesale trade declined in Manitoba and Saskatchewan as the drought early in the crop growing season made farmers cautious about buying consumer goods and farm implements. However, the growth in trade in Alberta more than offset this.

The region's labour income rose at the fastest rate in the country, even though the growth in Manitoba was below the national rate. Both employment and the labour force grew at above the national pace, with Alberta having the highest rates of increase among all provinces. The region's average annual rate of unemployment remained unchanged as the slight decline in Alberta offset small increases in the other two provinces.

British Columbia

The volume of output of the economy of British Columbia, although affected by the impact of the recession in the United States on the wood-related industries and mining, expanded in 1980 because of the strong growth in output in construction and services. Both employment and the labour force increased at considerably above the national pace and the average annual rate of unemployment fell sharply.

Within the primary sector, forestry output was curtailed by reduced exports as a result of lower housing starts in the United States. However, pulpwood production increased and partly offset the declines in lumber output. In mining, molybdenum output was up, reflecting recovery from labour disputes, but coal and natural gas production was down as exports fell. The volume and value of fish catches also declined with the major falls being in herring and salmon. Farm cash receipts rose faster than the national pace as the output of most of the major agricultural commodities rose.

The volume of manufacturing shipments declined, reflecting sharply reduced shipments by the wood industry and lower shipments by the transportation and

machinery industries. Shipments by the paper and allied products and the primary metals industries did increase strongly in the second and third quarters, however. Construction output rose sharply. The number of housing starts increased substantially, reflecting the province's special housing program and the high rate of immigration, and the increase in the current dollar value of new capital expenditures was the highest among all regions.

The services sector benefitted from the increase in goods production. Retail sales increased faster in the region than in the rest of the country and trade activity rose.

The average annual rate of unemployment decreased sharply in 1980 with the seasonally-adjusted rate in the last quarter being the lowest since the second quarter of 1974. Labour income increased at a pace above the national rate.

5. Canada's Balance of International Payments

Canada's current account deficit narrowed to \$1.5 billion in 1980, the lowest level since 1974 (Table 5.1 and Chart 5.1). Merchandise exports rose marginally in volume terms, as a result of slower growth in the United States and Europe, while imports declined. The merchandise trade surplus rose to \$8 billion, twice the previous record set in 1979. The deficit on invisibles widened further. Net capital inflows weakened in 1980. Including net errors and omissions in the balance of payments these totalled \$40 million in 1980, down from \$6.8 billion in the previous year. Interest rate developments in Canada and abroad played a major role in the behaviour of international financial flows and exchange rate movements over the course of the year. Although the exchange rate showed appreciable movement during 1980, its average value in terms of the U.S. dollar was essentially unchanged from 1979. The Canadian dollar closed the year at U.S. \$0.8377, down almost two cents from the end of 1979. Exclusive of net new short-term borrowing by the government for reserve management purposes, Canada's official international reserves declined by about \$0.5 billion.

The cyclical downturns in Canada and the U.S. in the first half of the year, and in much of Europe in the second half, had a major impact on Canada's foreign trade in 1980. Another important influence on trade developments was the continuing impact of the substantial improvement in the international competitiveness of Canadian industries that was achieved between 1976 and 1979. Rising prices for a

Table 5.1
**Summary of the Current Account
of Canada's Balance of International Payments**

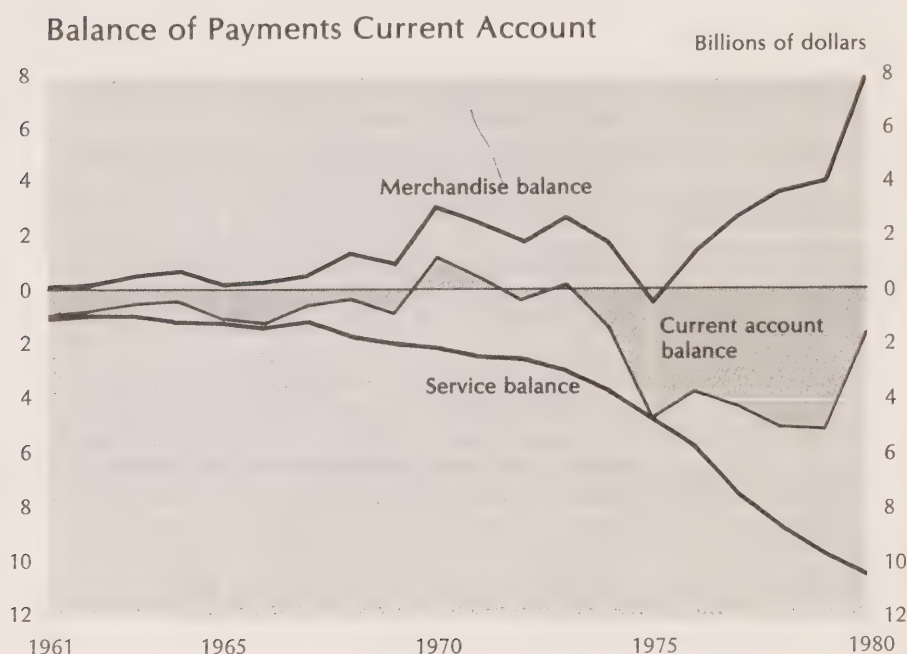
	1975	1976	1977	1978	1979	1980
	(\$ billions)					
Merchandise exports	33.5	38.0	44.3	52.8	65.2	76.1
Merchandise imports	34.0	36.6	41.5	49.2	61.2	68.2
Balance of trade	-0.5	1.4	2.7	3.6	4.0	8.0
Service receipts	6.9	7.6	8.3	10.0	11.5	13.5
Service payments	11.6	13.4	15.7	18.7	21.2	24.2
Balance on services	-4.7	-5.8	-7.4	-8.7	-9.7	-10.7
Total receipts	40.5	45.6	52.5	62.8	76.6	89.6
Total payments	45.6	50.0	57.3	67.8	82.4	92.4
Balance on goods and services	-5.1	-4.4	-4.7	-5.1	-5.8	-2.8
Net transfers	0.4	0.5	0.4	0.0	0.7	1.2
Balance on current account	-4.8	-3.8	-4.3	-5.0	-5.1	-1.5

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001.

number of Canada's most important exports, notably wheat and several metals, also contributed to the trade surplus. In real terms, exports to the U.S. dropped sharply, especially in the recession-hit automotive and building materials markets, while Canada's sales to most other nations rose strongly.

Capital flows in 1980 were heavily influenced by the high interest rates that prevailed in the U.S., first in February and March and then again in October, November and December. While Canadian rates were also very high during these periods, they were frequently below similar U.S. rates, thereby giving rise to an outflow of short-term capital (including the residual balancing figure for errors and omissions).

Chart 5.1



Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001.

Current Account

The second half of the last decade was marked by substantially larger current account deficits than the first half, when three years recorded surpluses. Cyclical developments in Canada and her principal trading partner, the United States, have influenced the current account in an important manner. The relative strength of the Canadian economy vis-à-vis that of the U.S. in 1974 and 1975 was responsible in large part for the faster growth in imports than exports, which in 1975 produced the first merchandise trade deficit in 15 years. The more rapid recovery of the U.S. economy in 1976 and 1977, on the other hand, was crucial to the strengthening of the trade balance from mid-1976. In 1979 and the first half of 1980, Canada's

surplus with the U.S. was substantially reduced as the U.S. economy slid into recession and its import demand fell off sharply.

Underlying these cyclical developments, however, have been some more fundamental longer-term trends in the components of the current account. After deteriorating earlier in the decade, Canada's competitive position improved substantially after 1976 and this has been generally maintained through 1980. The increased competitiveness of Canadian industries during this period was the result of several factors. First, the Canadian dollar depreciated relative to other major currencies by more than 20 per cent. The average exchange value of the Canadian dollar in December 1980 was 18.7 per cent below its October 1976 value vis-à-vis the U.S. dollar and 37.4 per cent below its value vis-à-vis a trade-weighted average of the other "Group of Ten" currencies (see Chart 5.3). Second, unit labour costs grew relatively moderately, at a 7.2-per-cent average annual rate in the 1977-79 period compared with the 7.7-per-cent annual average in the U.S. Third, energy pricing policy gave Canadian industry an additional cost advantage. The recent strength in Canadian trade performance thus in part represents a continuing lagged response to the improved competitiveness realized in the past few years.

Merchandise Trade

The substantial improvement in the merchandise trade surplus in 1980 more than accounted for the reduction in the current account deficit. Measured in current dollars exports rose 16.8 per cent and imports advanced 11.4 per cent (Tables 5.3 and 5.4). The record \$8 billion merchandise trade surplus occurred despite the weakness of the U.S. economy, which had a particularly adverse impact on automotive and building material exports. Excluding the deficit on motor vehicles and parts, Canada's surplus on merchandise trade was \$10 billion. The exceptional performance has coincided with rather modest increases in industrial production through most of the world in recent years. In the European OECD countries, industrial production grew 4.6 per cent in 1979 and declined slightly in 1980. In volume terms, exports to countries other than the U.S. rose 12.3 per cent in 1980, compared with a 9.0-per-cent drop in exports to the U.S.

Canada recorded improved trade positions with all of her principal trading partners except Japan in 1980. The trade surplus with the U.S. increased to \$0.8 billion from \$0.2 billion in 1979 while the trade surpluses with the U.K. and other countries of the European Economic Community (EEC) increased from their year-earlier levels (Table 5.2). The surplus with Japan was down slightly to \$1.5 billion from \$1.8 billion in 1979. Trade with countries other than those mentioned above also accounted for a substantial portion of the trade account improvement in 1980. From a deficit of \$1.3 billion in 1976 there has been a gradual improvement in Canada's trade position with these countries to surpluses of \$0.6 billion in 1978 and 1979 and \$1.8 billion in 1980. Among those countries showing the largest increases in imports from Canada during the year were the Soviet Union, Mexico, the People's Republic of China, Indonesia, Cuba and Taiwan in addition to several European countries.

On a commodity basis, the broad tendency in recent years has been for the deficit on non-automotive end products to grow larger, with these increases being offset by bigger surpluses on trade in food and related products, crude materials and fabricated materials. In the last six years, however, the most remarkable increases have been observed in the surplus on fabricated materials which more than tripled from \$3.9 billion in 1975 to \$12.3 billion in 1979 (Table 5.2). Fabricated materials consist primarily of such semi-finished goods as wood and paper products, chemicals, refined petroleum and coal products, iron, steel and non-ferrous metal products.

Table 5.2

The Trade Balance by Commodity Group and Country Group

	1975	1976	1977	1978	1979	1980
	(\$ billions)					
By commodity group						
Food and related products	1.5	1.4	1.3	1.5	2.1	3.4
Crude materials and related products	2.9	3.2	3.5	2.9	4.6	3.5
Fabricated materials.....	3.9	6.0	7.9	10.4	12.3	16.6
Auto and related products.....	-1.8	-1.2	-1.2	-0.8	-3.2	-2.7
Other end products.....	-8.4	-8.9	-9.9	-11.6	-13.9	-15.1
Re-exports and special transactions	0.5	0.5	0.5	0.6	0.9	1.1
Total, customs basis.....	-1.4	1.0	2.2	3.1	2.8	6.8
By country						
United States.....	-1.1	0.5	1.5	2.2	0.2	0.8
United Kingdom	0.7	0.8	0.6	0.4	0.6	1.3
Other EEC	0.3	0.6	0.3	-0.2	0.8	2.6
Japan	1.0	0.8	0.7	0.5	1.8	1.5
Other.....	-1.2	-1.3	-0.4	0.6	0.6	1.8
Total, balance of payments basis.....	-0.5	1.4	2.7	3.6	4.0	8.0

Sources: Statistics Canada, *Exports*, annual, cat. 65-202, *Imports*, annual, cat. 65-203, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001.

These medium-term trends in the commodity composition of the trade surplus continued in 1980. The surplus on food and related products rose \$1.3 billion to \$3.4 billion last year, largely because of both price and volume increases for wheat exports. The surplus on crude materials, mainly petroleum, natural gas and unrefined metallic ores, fell back to \$3.5 billion in 1980 from the peak of \$4.6 billion in 1979. The reduction occurred as higher import costs for crude petroleum offset revenue increases accruing as a result of higher natural gas exports to the United States and strong world demand for metallic ores and minerals. The fabricated materials trade surplus increased substantially from \$12.3 billion to \$16.6 billion, reflecting increased demand for wood pulp and metals, particularly in countries other than the United States. At the same time import expenditures were reduced on iron and steel, textiles, wood and paper.

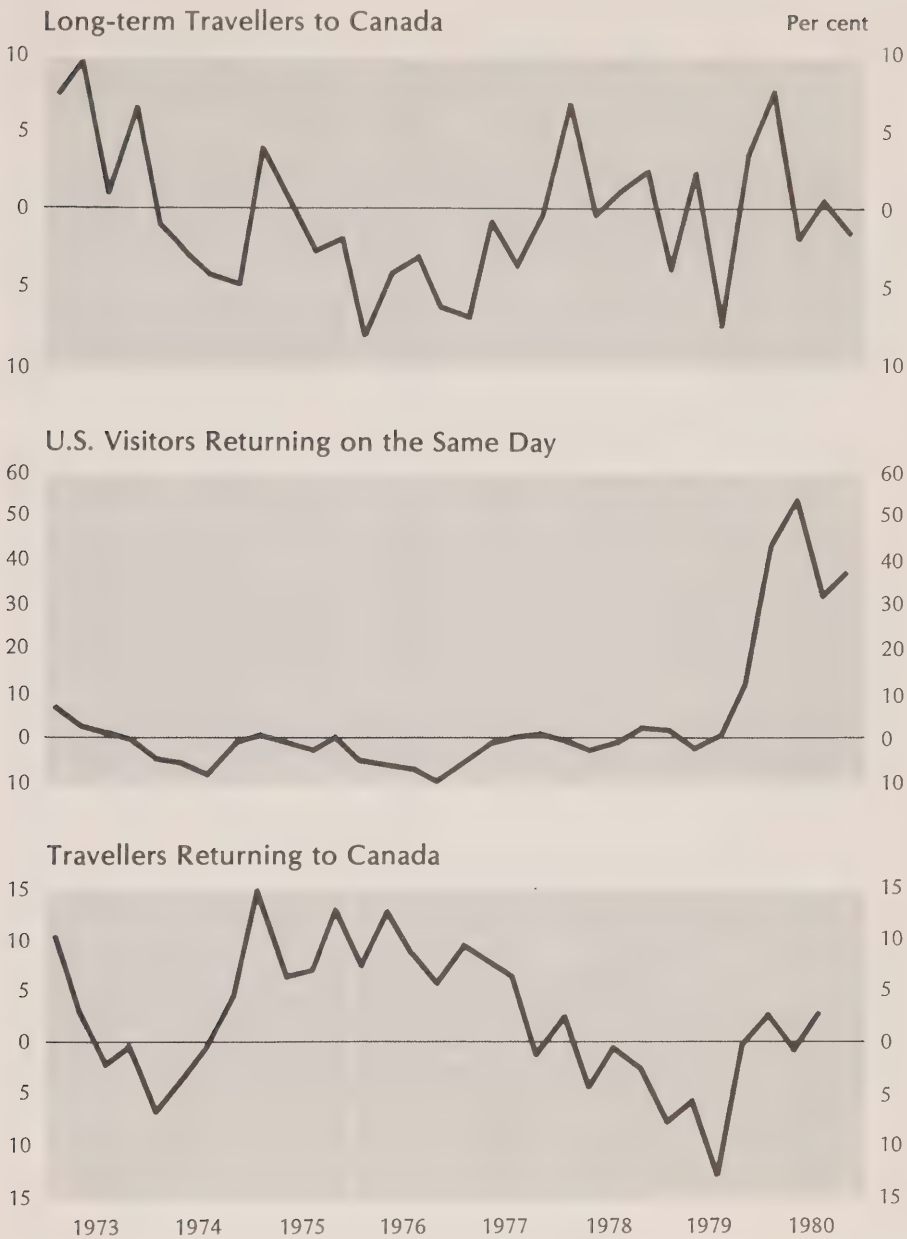
The end products deficit (excluding autos) widened further, as the impact of the recession in the United States overshadowed the strong growth in exports of these goods to both European and Third World markets. The increase in non-automotive end product imports reflected increases in both consumer goods and machinery and equipment, the latter being largely associated with the domestic investment cycle. The narrowing of the deficit on autos and related products, on the other hand, was primarily due to the restraining impact of weak domestic demand growth on imports of motor vehicles (Tables 5.3 and 5.5).

Since 1978 Canada has benefitted from favourable movements in the terms of trade (the ratio of export to import prices), following a downward movement through the 1974-78 period. The fall of world prices for raw materials was the main element in 1975 and 1976 while the depreciation of the Canadian dollar was the major factor in this development after 1976. Following the low point reached at the end of 1978, the terms of trade began to rise. They have fluctuated considerably since early 1979, but averaged marginally higher in 1980 than in 1979. The more recent movements in the terms of trade have been associated with the sharp

Chart 5.2

Travel Between Canada and Other Countries

(Year-over-year per cent change)



Source: Statistics Canada, *Travel Between Canada and Other Countries*, quarterly, cat. 66-001.

Table 5.3

Canada's Merchandise Exports
(Balance of payments basis)

	1975	1976	1977	1978	1979	1980
	(\$ billions)					
Wheat and wheat flour	2.2	1.8	2.1	2.0	2.3	3.8
Other agricultural	2.5	3.0	3.4	4.2	5.4	5.5
Crude petroleum	3.0	2.2	1.7	1.6	2.5	2.9
Natural gas	1.2	1.6	2.1	2.2	3.0	3.7
Lumber and plywood	1.1	1.8	2.5	3.4	4.1	3.6
Pulp, paper and board	3.9	4.6	5.1	5.7	7.3	8.8
Metals and minerals	5.7	6.8	7.7	8.7	10.6	14.6
Other fabricated materials	2.5	2.9	3.9	5.4	7.7	9.1
Auto and related products	6.4	8.2	10.4	12.5	11.8	10.8
Machinery and equipment	2.7	2.9	3.1	4.0	5.3	6.5
Other manufactured goods	1.4	1.7	1.8	2.3	3.4	4.4
Miscellaneous	1.0	0.5	0.5	0.6	1.8	2.4
Total	33.5	38.0	44.3	52.8	65.2	76.1
	(per cent change)					
Wheat and wheat flour	- 1.1	- 14.7	12.5	- 1.2	12.7	66.5
Other agricultural	8.4	17.1	13.7	22.8	28.9	2.9
Crude petroleum	- 15.5	- 28.4	- 19.4	- 9.5	60.5	12.5
Natural gas	123.0	41.1	27.7	6.0	36.1	22.2
Lumber and plywood	- 23.8	64.6	44.9	35.5	19.7	- 12.7
Pulp, paper and board	- 3.6	17.2	10.2	11.6	27.2	20.6
Metals and minerals	- 4.5	18.7	14.0	12.8	21.6	37.5
Other fabricated materials	- 1.9	18.4	32.3	38.7	42.7	18.6
Auto and related products	12.5	27.9	26.7	20.6	- 6.3	- 8.3
Machinery and equipment	18.3	7.5	6.6	30.9	34.0	21.6
Other manufactured goods	5.6	19.1	6.8	32.7	44.3	30.3
Miscellaneous	37.4	- 42.5	- 12.7	31.6	196.6	37.3
Total	2.8	13.4	16.5	19.2	23.5	16.8

Note: Trade data on a balance of payments basis are basically those obtained from customs documents adjusted to represent more accurately all economic transactions between residents and non-residents with financial implications for the balance of payments. Customs data include only the physical movement of goods as reflected in the customs reports; adjustments for timing, coverage and valuation are made to convert these data to a balance of payments basis. The balance of payments adjustments reported by Statistics Canada were allocated to these commodity aggregates by the Department of Finance.

Sources: *Bank of Canada Review*, monthly; Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001; and Department of Finance.

commodity price fluctuations during the first half of 1980. Most of the gains made during the early part of the year, however, were lost during the latter part as mineral, metal and lumber export prices weakened while crude oil import prices rose substantially.

Higher prices for energy-related exports also contributed substantially to the record merchandise trade surplus in 1980, although the energy trade surplus was well below the \$3.4 billion surplus achieved in 1979 (Table 5.6). On a customs basis, the value of petroleum and natural gas exports rose 20.6 and 37.9 per cent respectively while volumes declined 25.7 and 18.1 per cent. Part of the real reduction was attributable to the recession in the United States which greatly reduced that country's demand for energy. Furthermore, domestic policy called for reductions in export volumes of crude petroleum while natural gas exports were affected by the availability of lower-cost alternatives in parts of the U.S.

Table 5.4
Canada's Merchandise Imports
(Balance of payments basis)

	1975	1976	1977	1978	1979	1980
	(\$ billions)					
Food	2.3	2.5	2.9	3.3	3.7	4.1
Crude petroleum	3.3	3.3	3.2	3.5	4.5	6.9
Construction material	0.8	0.9	1.0	1.1	1.4	1.3
Industrial material	7.2	7.7	8.8	10.8	14.9	16.9
Auto and related products	8.2	9.4	11.6	13.4	14.9	13.4
Machinery and equipment	7.7	7.6	8.6	10.8	14.2	16.8
Other consumer goods						
United States	1.8	2.1	2.3	2.7	3.1	3.4
Rest of the world	1.9	2.4	2.7	3.0	3.4	3.6
Miscellaneous	0.6	0.6	0.6	0.7	1.1	1.6
Total	34.0	36.6	41.5	49.2	61.2	68.2
	(per cent change)					
Food	7.1	6.5	17.0	11.8	12.5	12.7
Crude petroleum	24.8	-0.7	-2.0	7.6	29.3	53.6
Construction material	-15.3	13.7	5.8	11.2	22.9	-4.6
Industrial material	-3.0	6.8	13.2	23.1	38.7	13.4
Auto and related products	15.6	14.6	22.6	15.9	11.8	-10.5
Machinery and equipment	18.5	-1.3	12.2	26.0	31.2	18.7
Other consumer goods						
United States	7.6	16.8	8.0	15.4	15.5	11.1
Rest of the world	6.3	28.6	10.9	13.5	12.4	7.0
Miscellaneous	11.3	-5.5	-2.4	23.6	68.6	43.0
Total	9.9	7.8	13.4	18.4	24.5	11.4

Note: Trade data on a balance of payments basis are basically those obtained from customs documents adjusted to represent more accurately all economic transactions between residents and non-residents with financial implications for the balance of payments. Customs data include only the physical movement of goods as reflected in the customs reports; adjustments for timing, coverage and valuation are made to convert these data to a balance of payments basis. The balance of payments adjustments reported by Statistics Canada were allocated to these commodity aggregates by the Department of Finance.

Source: *Bank of Canada Review*, monthly; Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001; and Department of Finance.

Table 5.5

**Trade in Motor Vehicles and Parts
(Customs basis)**

	1975	1976	1977	1978	1979	1980
	(\$ billions)					
Exports						
United States						
Passenger cars	2.9	3.5	4.1	4.6	3.9	4.1
Trucks and other vehicles	1.0	1.4	2.1	2.7	2.9	2.4
Engines and other parts	2.0	2.8	3.4	4.3	4.2	3.1
Total	5.8	7.6	9.6	11.6	11.0	9.6
Other countries						
Passenger cars	0.2	0.2	0.3	0.5	0.4	0.4
Trucks and other vehicles	0.3	0.2	0.3	0.3	0.2	0.2
Engines and other parts	0.2	0.2	0.2	0.3	0.4	0.4
Total	0.6	0.6	0.8	1.1	1.0	1.0
Imports						
United States						
Passenger cars	2.2	2.3	2.8	3.0	3.7	3.4
Trucks and other vehicles	1.0	1.1	1.2	1.4	2.0	1.3
Engines and other parts	4.3	5.3	6.7	7.7	8.1	7.0
Total	7.5	8.6	10.7	12.1	13.8	11.7
Other countries						
Passenger cars	0.4	0.5	0.5	0.8	0.6	1.0
Trucks and other vehicles	0.1	0.1	0.1	0.2	0.2	0.2
Engines and other parts	0.2	0.2	0.2	0.2	0.3	0.3
Total	0.7	0.8	0.9	1.2	1.1	1.6
Balance						
United States						
Passenger cars	0.7	1.1	1.4	1.6	0.2	0.7
Trucks and other vehicles	-0.1	0.3	0.8	1.3	1.0	1.1
Engines and other parts	-2.4	-2.5	-3.2	-3.5	-3.9	-3.9
Total	-1.7	-1.0	-1.1	-0.5	-2.8	-2.1
Other countries						
Passenger cars	-0.2	-0.2	-0.2	-0.3	-0.2	-0.6
Trucks and other vehicles	0.2	0.1	0.1	0.1	0.0	0.0
Engines and other parts	0.0	0.0	0.0	0.1	0.1	0.1
Total	-0.1	-0.2	-0.1	-0.1	-0.1	-0.6

Note: Totals may not add due to rounding.

Sources: Statistics Canada, *Exports*, annual, cat. 65-202 and *Imports*, annual, cat. 65-203, *Exports by Country*, monthly, cat. 65-003 and *Imports by Country*, monthly, cat. 65-006.

Services

The increase in the current account deficit between 1974 and 1979 was accounted for in large measure by developments in the services account and in 1980 the deficit on services continued to widen. In 1974 the deficit on services totalled \$3.7 billion and by 1980 it had reached \$10.7 billion. The travel, interest, dividend and other services components all contributed to the deterioration in the overall deficit during this period.

The principal cause of the sharp increase in the services deficit in recent years has been the rapid rise in interest payments. Between 1976 and 1980 interest payments rose at a 26-per-cent average annual rate and in 1980 net interest payments accounted for 37 per cent of the deficit on services. The rise in interest payments reflected increases in North American interest rates at a time when corporations and various levels of government were actively borrowing funds on foreign bond markets. The depreciation of the Canadian dollar beginning late in 1976 added significantly to the cost of servicing debts, since much of Canada's debt is denominated in foreign currency. Net dividend payments have also risen substantially over the past few years, as yields have generally followed the upward movement in bond rates.

Table 5.6
Canada's Trade in Energy-Related Products
(Customs basis)

	1975	1976	1977	1978	1979	1980
	(\$ billions)					
Exports						
Petroleum and coal.....	4.2	3.4	3.0	3.3	5.1	6.1
Crude petroleum	3.1	2.3	1.8	1.6	2.4	2.9
Refined petroleum and coal products	0.5	0.6	0.6	1.0	1.9	2.3
Coal and other.....	0.6	0.6	0.7	0.8	0.8	0.9
Natural gas.....	1.1	1.6	2.0	2.2	2.9	4.0
Electricity	0.1	0.2	0.4	0.5	0.7	0.8
Radioactive ores	0.1	0.1	0.1	0.2	0.4	0.2
Total	5.4	5.3	5.5	6.2	9.1	11.1
Imports						
Petroleum and coal.....	4.2	4.0	4.2	4.4	5.8	8.4
Crude petroleum	3.3	3.3	3.2	3.5	4.5	6.9
Coal.....	0.6	0.5	0.6	0.6	0.9	0.8
Other ⁽¹⁾	0.3	0.2	0.3	0.3	0.4	0.7
Total	4.2	4.0	4.2	4.4	5.8	8.4
Balances						
Petroleum and coal.....	0.0	-0.6	-1.1	-1.1	-0.6	-2.2
Crude petroleum	-0.2	-1.0	-1.5	-1.9	-2.1	-4.0
Other.....	0.2	0.4	0.3	0.7	1.5	1.7
Other.....	1.2	1.8	2.5	2.9	4.0	5.0
Total	1.2	1.2	1.4	1.8	3.4	2.7

Note: Totals may not add due to rounding.

⁽¹⁾ Includes other crude bituminous substances, fuel oil, lubricating oil, coke of petroleum and coal, and other petroleum and coal products.

Sources: Statistics Canada, *Exports*, annual, cat. 65-202; and *Imports*, annual, cat. 65-203.

The deficit in the travel account increased considerably between 1976 and 1978 as a result of a substantial increase in payments to the U.S. and some other countries. It reached a high of \$1.7 billion in 1978, almost half of which was attributable to net payments to the U.S. In 1979 the travel deficit declined significantly as Canadians spent less in the U.S. and visitors increased their expenditures in Canada. In 1980, however, there was a further small deterioration in the travel deficit as the increased spending by U.S. visitors was offset by an increase in travel expenditures by Canadians. Nevertheless, 1980 marked the first time in seven years that the number of U.S. visitors travelling to Canada by car and spending one night or more increased on a year-over-year basis. There was a pronounced rise in the number of U.S. residents visiting Canada for less than a day, apparently prompted by cheaper gasoline prices in Canada (Chart 5.2, panel 2), but the resulting contribution to the increase in travel receipts was of marginal importance. During the past few years Canada has also become an increasingly attractive holiday destination for residents of countries other than the U.S. as the depreciation of the dollar was particularly large against many European currencies. The number of visitors from outside the North American continent rose at an average annual rate of 8.4 per cent between 1976 and 1979 and advanced a further 7.2 per cent in 1980.

Net Transfer Receipts

Typically a rather small component of the current account, net transfer receipts averaged \$342 million per year between 1974 and 1978. In the past two years, however, net transfer receipts have increased markedly, to \$662 million in 1979 and \$1,246 million in 1980. There was a doubling of inheritances and immigrants' funds over the period and a somewhat smaller but still significant advance in withholding taxes. The unusually large increase in inheritances and immigrants' funds resulted in part from a recent increase in the number of entrepreneurial immigrants to Canada. The result was a substantial rise in the average amount of funds being brought into Canada by new immigrants. The increase in withholding tax receipts, on the other hand, was primarily due to the higher interest and dividend payments being made to non-residents.

Capital Account, Exchange Rate and Official International Reserves

While the average external value of the Canadian dollar was little changed from 1979, strong pressures in the exchange market developed from time to time, particularly when short-term interest rates in the United States were rising rapidly. These pressures occurred despite the marked improvement in the current account balance. Recorded capital inflows were well down from the high level that occurred in 1979 while the balancing item "net errors and omissions" remained large and equivalent to an outflow. While there were variations within the year, largely reflecting the sharp swings in differentials between Canadian and U.S. short-term interest rates, over the year the Canadian dollar depreciated slightly relative to the U.S. dollar while posting a mixed performance against other major currencies.

As discussed earlier, the deterioration in Canada's international competitive position in the 1974-76 period gave rise to a large increase in the current account deficit. The deficit, which stood at \$1.5 billion in 1974, rose to \$4.8 billion in 1975 and averaged \$4.4 billion during the next three years. Despite the large deficits in 1975 and 1976, the Canadian dollar remained above parity with the U.S. dollar until the fourth quarter of 1976. This was attributable in part to massive inflows of long-term capital in 1975 and 1976 as some provincial governments and their Crown corporations used the foreign bond market to finance large-scale development projects. With the exception of 1979, the sale of long-term Canadian bond issues on foreign markets was the principal source of capital inflows through the 1970s. Encouraging the issue of bonds abroad in 1976 were a widening of long-term interest differentials in Canada's favour and the suspension of the withholding tax on June 15, 1975 on new long-term corporate issues.

Table 5.7
Canada's Balance of International Payments

	Average 1971–1974	1975	1976	1977	1978	1979	1980
	(\$ billions)						
Current account balance	–0.3	–4.8	–3.8	–4.3	–5.0	–5.1	–1.5
Merchandise balance	2.2	–0.5	1.4	2.7	3.6	4.0	8.0
Service balance	–2.9	–4.7	–5.8	–7.4	–8.7	–9.7	–10.7
Net transfers	0.4	0.4	0.5	0.4	0.0	0.7	1.2
Long-term capital flows	1.0	3.9	7.9	4.3	3.4	2.8	1.4
Direct investment in Canada	0.8	0.7	–0.3	0.5	0.0	0.7	0.5
Direct investment abroad	–0.6	–0.9	–0.6	–0.7	–2.0	–1.9	–2.7
Other	0.8	4.2	8.8	4.5	5.3	4.1	3.6
Short-term capital flows	0.6	1.6	0.1	0.7	1.2	7.8	1.2
Change in chartered banks' foreign currency position	0.1	0.5	–0.9	1.4	2.8	4.1	1.4
Other	0.5	1.1	1.0	–0.7	–1.6	3.7	–0.2
Errors and omissions	–1.1	–1.2	–3.7	–2.0	–2.8	–3.9	–2.5
Total capital flows (including errors and omissions)	0.5	4.3	4.3	3.0	1.7	6.8	0.0
SDR allocations	0.1	—	—	—	—	0.2	0.2
Net official monetary movements	0.2	–0.4	0.5	–1.4	–3.3	1.9	–1.3
Official international reserves	0.2	–0.4	0.5	–1.4	–0.2	–0.9	–0.5
Official monetary liabilities	0.0	0.0	0.0	0.0	–3.1	2.8	–0.7

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001.

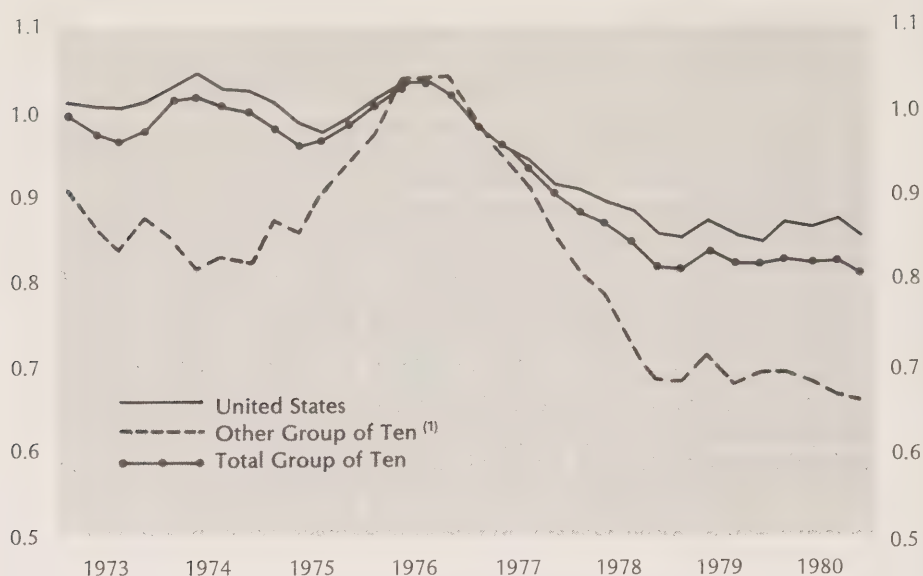
There was a net short-term capital outflow of \$3.6 billion in 1976 (including errors and omissions, which are believed to consist largely of unrecorded short-term capital transactions) compared with a net inflow of \$0.4 billion in 1975. The Canadian dollar, which had peaked at U.S. \$1.0389 in June 1976, declined through the next two years to stabilize in the vicinity of U.S. \$0.85 in 1979.

After reaching a peak of \$7.9 billion in 1976, net long-term capital inflows fell to \$4.3 billion in 1977 and to \$3.4 billion in 1978. Contributing to the general reduction in net long-term capital inflows was the substantially increased outflow of capital through direct investment abroad. The 1978 direct flows were particularly affected by takeovers by Canadian residents of foreign-controlled assets in Canada and foreign countries, and there was a net direct investment outflow of \$1.9 billion compared with \$0.3 billion in 1977. Trade in securities, Government of Canada bonds in particular, accounted for most of the long-term capital inflow during the year. Excluding \$2.5 billion in federal government borrowing to replenish Canada's official international reserves, net long-term capital inflows were \$0.9 billion. Exchange reserves were reduced from U.S. \$5.8 billion at the end of 1976 to \$4.6 billion by the end of 1978.

The loss of reserves resulting from intervention to maintain orderly exchange market conditions led to the establishment late in 1977 of a revolving standby credit facility with the Canadian chartered banks. The borrowing limit for the standby credit facility was increased to U.S. \$2.5 billion in 1978 from U.S. \$1.5 billion and a new line of credit of U.S. \$3.0 billion was opened with a group of American and other foreign banks. Drawings on the standby credit facilities

Chart 5.3

Price Indexes for the Canadian Dollar, 1971 = 1.0



(1) The various currencies are weighted to reflect each country's share of Canada's foreign trade in 1971. The Group of Ten (G-10) includes Belgium, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States.

Source: Bank of Canada, *Review*, monthly, and Department of Finance.

amounted to U.S. \$2.7 billion during 1978. As well, the Canadian government borrowed U.S. \$2.2 billion on long-term capital markets in the United States and West Germany.

Compared to the previous two years, 1979 was one of relative stability in Canada's foreign exchange market. While the current account deficit remained high at \$5.1 billion, it was accompanied by a renewal of strong capital inflows. Excluding federal government long-term borrowing abroad, the net flow of long-term capital into Canada rose by over 40 per cent from the 1978 inflow. It was short-term capital inflows, however, which dominated the capital account in 1979, led by a sharp net change in the chartered banks' foreign currency position with non-residents. The inflows of short-term capital were particularly large during the fourth quarter of the year, as an abrupt decline in U.S. interest rates exceeded the drop in rates for comparable Canadian short-term financial instruments. The external value of the Canadian dollar averaged U.S. \$0.8550 in the last month of 1979 — up slightly from the U.S. \$0.8478 value as of December 1978. Net repayments of U.S. \$2.4 billion under the standby credit facility more than accounted for the net decline in reserves during 1979.

The net inflow of long-term capital was \$1.4 billion in 1980, following a \$2.8 billion inflow in 1979. In 1980 the federal government did no long-term borrowing abroad for reserve management purposes, whereas such borrowing amounted to

\$1.6 billion in 1979. The net outflow of capital in the direct investment account rose in 1980, reflecting both increased Canadian direct investment abroad and an increase in acquisitions by Canadians of foreign-owned assets in Canada. On the other hand, net new issues of corporate securities abroad rose sharply as did non-resident acquisitions of outstanding Canadian securities.

Excluding official transactions and net errors and omissions, net short-term capital movements fell markedly in 1980, to an inflow of \$1.2 billion from \$7.8 billion the previous year. This reflected a sharp reduction in the Canadian banks' short-term borrowing abroad, an increase in the holdings of short-term funds abroad by Canadian non-bank entities and an outflow on identified accounts receivable and payable. The errors and omissions item was equivalent to a capital outflow of \$2.5 billion, down from an outflow of \$3.9 billion in 1979.

The value of international reserves increased from U.S. \$3.9 billion at the end of 1979 to a peak of U.S. \$4.3 billion in August before rising U.S. interest rates resulted in renewed downward pressure on the dollar. Sales of reserve assets were undertaken by the government to moderate this pressure as the dollar depreciated to a low of U.S. \$0.8249 on December 16, 1980. Net drawings on the standby credit facilities with Canadian and foreign banks amounted to U.S. \$600 million in 1980. At the end of 1980 the amount outstanding on these facilities totalled U.S. \$900 million.

During 1980 the book value of reserves was augmented by the sale of 1.2 million ounces of gold following the announcement in December 1979 of the intention to sell from official holdings to re-establish a more balanced portfolio of reserve assets. Using market values at the time of the announcement, the gold held in reserves by the Exchange Fund Account was worth approximately U.S. \$10 billion and effectively constituted about three-quarters of total reserves. (By convention, official gold holdings are recorded in reserves at the official price of 35 Special Drawing Rights (SDRs) per ounce. At the end of 1980 the SDR was worth \$1.5174 Canadian.)

Errors and Omissions

Since the mid-1960s the errors and omissions item in the balance of payments has consistently been equivalent to a capital outflow on an annual basis. This is a residually calculated component of the balance of payments which represents the discrepancy between current account movements and recorded capital flows (including official monetary movements). These outflows, which are believed to consist primarily of short-term capital, fluctuated between \$0.4 and \$1.5 billion during the six-year period ending in 1975 before jumping to \$3.7 billion in 1976. The outflows have remained high and reached a peak of \$3.9 billion in 1979. The \$2.5 billion 1980 outflow was down somewhat from that recorded in 1979 but remained high by historical standards. While a certain unrecorded flow is unavoidable due to measurement errors, the lack of coverage of certain capital movements, and a generally more integrated international capital market, it is unclear why the outflow has become so large since 1975. Given the appearance of a sharp increase in unrecorded capital inflows in the U.S. during the same period, it is possible that a large part of the balancing item in the balance of payments reflects unrecorded transactions with residents of the United States. Capital invested in portfolio securities or real estate in a foreign country by a resident broker of that country may not be covered by the balance of payments. As well, foreign bank accounts may not necessarily be identifiable for balance of payments purposes if they were opened under the name of a resident of the host country.

Net accounts receivable, coverage of which is only partial in the balance of payments statistics, would also be expected to represent an outflow in a period of

rising trade balances. Increased foreign currency trading following the demise of the fixed exchange rate international monetary system in the early 1970s may have contributed to an increase in errors and omissions because of the higher volume of transactions, in the same way that the increased level of foreign trade may have magnified long-existing coverage problems.

6. The Government Sector

This chapter reviews developments in the government sector in 1980. The expenditure, revenue, and budget balance positions of the federal government, the provincial-local-hospital sector, the Canada and Quebec Pension Plans, and the total government sector are examined.⁽¹⁾ Additional information on the federal government's financial requirements, public debt and debt management is provided. The analysis provided in previous issues of the *Economic Review* on cyclically-adjusted budget balances is updated, and estimates of budget balances adjusted to remove the impact of inflation on the real value of the government debt are introduced. Information on international comparisons of budget balances is also once again provided.

Federal Government

The federal deficit, shown in Table 6.1, increased \$1.6 billion in 1980 after having fallen \$1.8 billion in 1979. While revenue growth was strong, it was outpaced by expenditures. Increased revenues reflected the continued nominal growth of tax bases while the growth in federal expenditures was influenced by particularly large increases in oil import subsidies and public debt charges.

Total federal revenue, displayed in Table 6.2, increased 15.1 per cent in 1980 compared to 14.5 per cent in 1979. This increase in the growth rate occurred despite a significant slowdown in economic activity, mainly because of relatively strong growth in some of the underlying tax bases, higher rates of return on government investments and the introduction of new tax measures in 1980. There was an increase in the growth rates of all aggregated components of federal revenues with the exception of direct taxes on corporations. Personal direct taxes increased 16.1 per cent in 1980, only slightly more than the 14.8-per-cent increase in 1979; this similarity in the growth rates in the two years, however, masks divergent trends in the growth of the components of personal direct taxes. The growth of personal income taxes, the major component of personal direct taxes, dropped from 20.3 per cent in 1979 to 17.3 per cent in 1980. Growth in personal income tax revenue was abnormally high in 1979 reflecting the expiry of federal income tax transfers to the provinces in 1978 to finance temporary sales tax reductions. Also the growth of personal taxable income slowed from 12.6 per cent in 1979 to 11.8 per cent in 1980. Per capita income growth is estimated to have increased 8.8 per cent while the indexation factor for 1980 was 8.9 per cent. Employer/employee contributions to government pension funds resumed normal growth in 1980 after having fallen 8.8 per cent in 1979. The decline in 1979 was due to a \$137 million reduction in the amortization requirement for the actuarial deficiency. Actuarial deficiencies are amortized over a five-year period subsequent to the tabling of the report of the Superintendent of Insurance. The small decline in employer/employee contributions to unemployment insurance in 1979 reflected a 10-per-cent decline in contribution rates partially offset by a 1.7-per-cent increase in the insured population and a 10.4-per-cent increase in maximum insurable earnings. Employer/employee contributions to unemployment insurance increased

⁽¹⁾ Unless otherwise stated, this chapter is based on national accounts calendar year data.

Table 6.1

Federal Government Revenue, Expenditure and Net Position
(National income and expenditure accounts basis)

	Revenue		Expenditure		Surplus or deficit (—)
	(\$m)	(per cent change)	(\$m)	(per cent change)	(\$m)
1973	22,809	16.6	22,422	11.4	387
1974	29,978	31.4	28,869	28.8	1,109
1975	31,703	5.8	35,508	23.0	—3,805
1976	35,313	11.4	38,704	9.0	—3,391
1977	36,214	2.6	43,807	13.2	—7,593
1978	38,019	5.0	48,974	11.8	—10,955
1979	43,518	14.5	52,649	7.5	—9,131
1980	50,099	15.1	60,822	15.5	—10,723

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

Table 6.2

Federal Government Revenue
(National income and expenditure accounts basis)

	1979		1980	
	(\$m)	(per cent change)	(\$m)	(per cent change)
Direct taxes — persons				
Personal income taxes	15,927	20.2	18,675	17.3
Employer/employee contributions to government pension funds	1,083	—8.8	1,203	11.1
Employer/employee contributions to unemployment insurance	2,799	—0.5	3,117	11.4
Total	19,809	14.8	22,995	16.1
Direct taxes — corporations	7,166	20.6	7,967	11.2
Indirect taxes				
Sales and other excise taxes	5,091	—3.1	5,732	12.6
Oil export charge	718	144.2	831	15.7
Customs duties	3,012	16.2	3,124	3.7
Excise duties	898	3.6	984	9.6
Gasoline excise tax	428	—24.5	441	3.0
Other	514	192.0	1,031	100.6
Total	10,661	9.3	12,143	13.9
Investment income	4,421	14.3	5,203	17.7
Other revenue	1,461	21.2	1,791	22.6
Total revenue	43,518	14.5	50,099	15.1

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

11.4 per cent in 1980 compared to a 0.5-per-cent decline in 1979 as maximum insurable earnings increased 9.4 per cent and the insured population is estimated to have increased 2.8 per cent. Contribution rates were, however, unchanged at \$1.35 (employees) and \$1.89 (employer) per \$100 of weekly insurable earnings. While corporate profits on a national accounts basis increased 8.6 per cent in 1980 as compared to 20.6 per cent in 1979, the growth of corporate income tax liabilities slowed only to 11.2 per cent in part because of the impact of the two-year 5-per-cent corporate surtax. This measure had been proposed in the December 1979 budget and was reintroduced in the April 21, 1980 statement of the Minister of Finance.

Indirect taxes increased 13.9 per cent in 1980. Increased Petroleum Compensation Program receipts and to a much lesser degree increased airport transportation tax collections contributed to a 100.6-per-cent increase in the "other" category of indirect taxes. The 12.6-per-cent increase in sales and other excise taxes reflects the growth in the underlying tax bases, as well as a small increase resulting from higher taxes on cigarettes and wine. Customs import duties grew 3.7 per cent in 1980 compared to 16.2 per cent in 1979, as the introduction of the first round of tariff cuts under the Multilateral Trade Negotiations took effect. The 15.7-per-cent increase in oil export charge revenue reflects a doubling of the average export charge, partly offset by a lower export volume. The increase in excise duties reflects the increased tax rates for spirits, beer and tobacco included in the April 21, 1980 statement.

Investment income increased 17.7 per cent in 1980 due to higher interest receipts of the superannuation accounts and higher Bank of Canada profits. Higher interest rates on a larger volume of assets were responsible for most of the increase in Bank of Canada profits.

As is shown in Table 6.3, leading the 15.5-per-cent increase in federal expenditure in 1980 were higher growth rates of subsidies, capital assistance and interest on the public debt.⁽²⁾ Subsidies, which rose 71.6 per cent in 1980, accounted for over one-quarter of the total increase in expenditures. Within this category, gross oil import compensation payments increased 179.2 per cent due largely to the widening differential between domestic and international oil prices. However, Western Grain Stabilization Fund payments, which are normally volatile, fell to zero in 1980. Expenditure for the subsidization of home insulation more than doubled from \$78 million in 1979 to \$213 million in 1980, contributing to the 29.4-per-cent growth of capital assistance in 1980. Interest on the public debt, which accounted for 18.5 per cent of the total increase in expenditures, rose 18.7 per cent in 1980 reflecting both higher interest rates and an increase in outstanding debt.

Transfer payments to persons rose 13 per cent in 1980. The main program change was the \$35-per-month increase in the guaranteed income supplement which led to high growth of total old age security and guaranteed income supplement payments. Family allowances resumed normal growth after being restructured in 1979. Unemployment insurance benefits also turned around in 1980 after declining in 1979 due to improved unemployment rates and a tightening of eligibility requirements. Transfer payments to other levels of government increased 9.1 per

⁽²⁾ It should be noted that the national accounts expenditure figures discussed here differ from the public accounts figures on which the government bases its expenditure planning. Important differences between these two systems of accounts are that the petroleum compensation charge is netted against petroleum compensation payments in the public accounts, and the public accounts includes the government's contribution to unemployment insurance rather than total benefits paid as in the national accounts.

cent in 1980. A large portion of this growth can be attributed to equalization payments which increased 22.1 per cent in 1980. Changes in equalization entitlements from year to year are largely due to growth in provincial-local revenue bases and include significant incremental adjustments in respect of prior years' payments. The decline in other taxation agreement payments is primarily due to the termination of the revenue guarantee program. Total Established Programs Financing expenditures, which include payments for hospital insurance, medicare, and post-secondary education, amounted to \$4,960 million in 1980, only a slight increase over 1979 levels due to significant adjustments resulting from the recalculation of past entitlements based on more recently available information.

Table 6.3

Federal Government Expenditure
(National income and expenditure accounts basis)

	1979		1980	
	(\$m)	(per cent change)	(\$m)	(per cent change)
Final demand expenditure				
Current goods and services				
Wages and salaries.....	7,720	5.3	8,252	6.9
Other.....	4,857	4.5	5,370	10.6
Total	12,577	5.0	13,622	8.3
Gross capital formation	1,047	-13.2	1,163	11.1
Total	13,624	3.4	14,785	8.5
Transfers to persons				
Family allowances.....	1,696	-23.7	1,812	6.8
OAS-GIS benefits.....	6,085	16.2	7,020	15.4
Unemployment insurance benefits	4,030	-10.6	4,424	9.8
Other.....	2,839	6.0	3,302	16.3
Total	14,650	0.0	16,558	13.0
Subsidies				
Petroleum compensation payments.....	1,430	118.9	3,993	179.2
Western grain stabilization payments	253	120.0	0.0	-100.0
Other.....	1,538	-0.3	1,533	-0.3
Total	3,221	40.0	5,526	71.6
Capital assistance.....	555	-0.2	718	29.4
Transfers to non-residents	756	-24.6	803	6.2
Interest on the public debt.....	8,080	26.1	9,594	18.7
Transfers to other levels of government				
Canada Assistance Plan	1,559	15.3	1,827	17.2
Equalization	2,935	18.3	3,583	22.1
Other taxation agreement payments	243	-70.8	167	-31.3
Established programs financing	4,926	21.6	4,960	0.7
Extended health care	598	12.4	635	6.2
Other.....	1,502	-7.7	1,666	10.9
Total	11,763	8.2	12,838	9.1
Total expenditure	52,649	7.5	60,822	15.5

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

Federal final demand for goods and services increased 8.3 per cent in 1980, significantly less than the 11.4-per-cent increase in the relevant price deflator, indicating, as in 1979, a decline in real terms in this federal expenditure category. The 6.9-per-cent increase in federal expenditure on wages and salaries also lagged significantly behind the increase in wages and salaries for the economy as a whole of 11.1 per cent. Federal expenditure on gross capital formation increased 11.1 per cent in nominal terms in 1980, increasing in real terms as the price deflator for this expenditure category rose 7.6 per cent. Total final demand expenditure, which includes both expenditure on current goods and services and capital formation, increased 8.5 per cent in 1980 in nominal terms but declined in real terms.

Table 6.4 extends the national accounts balance to include loans and other transactions to arrive at the financial requirements of the federal government. The "loans and other transactions" category includes loans to financial intermediary Crown corporations and other agencies which are not considered part of the federal government in the national income and expenditure accounts.

Financial requirements (excluding foreign exchange transactions), which exceeded the national accounts deficit by \$1,474 million in 1979, were only \$389 million greater than the deficit in 1980. This reflects a reduction in 1980 in the excess of accruals over cash collections as well as an increased source of funds in the "other transactions" category. The national accounts corporate income tax and oil export charge accruals were significantly less than their respective cash collections in 1980, a reversal from 1979 when accruals significantly exceeded collections. In the "other transactions" category, the provincial tax collections account and the Canada Pension Plan account provided substantially more net funds in 1980 than in 1979.

Table 6.4
Federal Government Financial Transactions
(Extended national accounts presentation)

	1979	1980
	(\$ millions)	
National income and expenditure accounts deficit	- 9,131	- 10,723
Loans and other transactions		
Loans, investments and advances	- 846	- 894
Cash vs. accrual ⁽¹⁾	- 855	- 541
Other transactions	227	1,046
Net source or requirement (-)	- 1,474	- 389
Financial requirements		
(Excluding foreign exchange transactions)	- 10,605	- 11,112
Foreign exchange transactions ⁽²⁾	- 433	758
Total financial requirements	- 11,038	- 10,354
Unmatured debt transactions ⁽³⁾	7,064	11,988
Change in cash balance	- 3,974	1,634
Level of cash balance at end of period	2,516	4,150

⁽¹⁾ In arriving at the national accounts surplus or deficit, certain items such as corporate income tax liabilities and public debt charges are calculated on an accrual basis. This adjustment is required to convert the transactions to a cash basis.

⁽²⁾ Source or Requirement (-).

⁽³⁾ Domestic debt transactions.

Note: The national accounts income and expenditure balances are subject to revision, and the loans and other transactions series are derived from unaudited monthly data. Any imprecision in these items would also affect the residually determined cash vs. accruals series.

Source: Department of Finance.

The unmatured debt transactions do not include foreign currency borrowing. Such borrowings are recorded in foreign exchange transactions and only influence the government's cash balances to the extent that such funds are used to purchase Canadian currency in the exchange market.

Debt Management

Debt management in 1980 was characterized by the relatively large debt program undertaken by the government. As shown in Table 6.5, the Government of Canada raised \$11.4 billion net new funds in domestic markets in 1980 as outstanding Government of Canada direct and guaranteed securities increased from \$65.7 billion at the end of 1979 to \$77.1 billion in 1980. Of this \$11.4 billion amount, \$5.5 billion was raised through the issue of Treasury bills and \$7.2 billion through the issue of marketable bonds, while net Canada Savings Bond (CSB) redemptions reduced the amount borrowed by \$1.3 billion. The total amount borrowed compares with \$7.6 billion in 1979 and \$8.1 billion in 1978.⁽³⁾

Table 6.5

Outstanding Government of Canada Direct and Guaranteed Securities (Denominated in Canadian dollars)

	December 31, 1978		December 31, 1979		December 31, 1980	
	(\$ billions)	(per cent)	(\$ billions)	(per cent)	(\$ billions)	(per cent)
Treasury bills	13.1	22.6	15.2	23.2	20.7	26.9
Marketable bonds	24.8	42.7	31.6	48.1	38.8	50.4
Canada Savings Bonds.....	20.2	34.7	18.9	28.7	17.6	22.7
Total	58.1	100.0	65.7	100.0	77.1	100.0

Source: Bank of Canada Review, monthly.

The \$7.2 billion new cash raised through the issue of marketable bonds was somewhat higher than the \$6.8 billion raised in the previous year and well above the \$3.4 billion raised in 1978. While the marketable bond program was large and the bond market was unsettled and prices volatile, Canada bond issues were generally accorded a good reception throughout the year. This was mainly a result of the availability of large amounts of funds for investment and the adaptability of the government's debt program. Large swings in interest rates made investors hesitant to commit funds to the long-term bond market. Thus the major emphasis of the debt program in 1980 was on extendible bonds rather than on long-term issues as in the previous three years.

The marketable bond program consisted of nine issues in total, the same number as in 1979. However, only 34 per cent of the bonds issued in 1980 had a term to maturity in excess of 10 years. This compares with 60 per cent in 1979 and 50 per cent in 1978. Extendible bonds, which had not been a part of the debt program since 1976 when the bond market experienced difficult conditions, were issued on five occasions in 1980. The extendible issues had an initial maturity of four to five years and are exchangeable, at the option of the holder, for bonds bearing the same interest coupon and maturing five or six years later. The extendible bonds found wide acceptance from all types of investors and, of the total amount of Canada bonds issued in 1980, \$3.4 billion or 32 per cent were in this form.

⁽³⁾ The figures in Table 6.5 are on a gross basis and thus not comparable with figures in Table 6.4 which are net of the government's own holdings. In addition, the figures for CSBs in Table 6.5 are on a slightly different basis than the figures underlying the data in Table 6.4.

The \$5.5 billion raised through the issue of Treasury bills was significantly larger than in either of the previous two years. These large sales were facilitated by a considerably broader and deeper market for Treasury bills which has developed along with a generally expanding money market. The stronger demand for bills was very much in evidence in May 1980, which coincided with a peak in net CSB redemptions, when \$1.2 billion of new funds were raised in the bill market. This flexible use of the bill program is another example of adapting the debt program to the market.

The government continued to de-emphasize the role of CSBs, which are a demand type instrument, in the overall debt program. At the end of 1980, the proportion of CSBs outstanding to total domestic Government of Canada direct and guaranteed securities had fallen to 22.7 per cent. This compares with 28.7 per cent and 34.7 per cent, respectively, at the end of 1979 and 1978 and a peak of 41.7 per cent at the end of 1974. Over the period 1974 to 1980, CSBs as a proportion of non-bank general public holdings of Canada debt have fallen from 74 per cent to 35 per cent.

The non-bank general public has played an increasingly important role in financing the government, increasing its holdings of Canada debt by \$9.2 billion in 1980, well above the levels of previous years. The government is trying in particular to broaden the distribution of holders of its marketable debt (including Treasury bills and marketable bonds). In 1980, the general public, on balance, acquired \$10.5 billion of marketable Canada securities or 83 per cent of the total offered in that year as shown in Table 6.6. This sector's holdings of marketable debt increased to \$32.6 billion at the end of 1980, from \$14.9 billion at the end of 1978 and \$5.7 billion at the end of 1974 or, as a proportion of outstanding domestic marketable debt, from 26 per cent at the end of 1974 to 55 per cent at the end of 1980.

In the fall of 1980, the CSB campaign produced gross sales of \$3.2 billion which compares with \$4.8 billion in the similar campaign in 1979. Net sales during the campaign period, after allowance for redemptions of outstanding issues, amounted to \$1.5 billion compared with \$800 million in 1979. The original terms of the CSBs announced on September 12, 1980 provided for an average yield of 10.5 per cent over the seven-year term. Following increases in the general level of interest rates, the terms of the CSBs were revised upwards and the final terms offered a rate of 11.5 per cent in the first year and 10.5 per cent in the remaining six years for an average yield of 10.68 per cent to maturity.

In 1980, the government did not undertake any foreign currency borrowing in the bond markets. There were, however, several drawings made on the standby lines of credit to bolster foreign exchange reserves. In March and April, the government drew down U.S. \$300 million on each occasion on its U.S. \$2.5 billion line of credit with Canadian banks. These loans were repaid in May and June. In December, two drawings of U.S. \$300 million each were made on the standby lines with Canadian banks and one drawing of U.S. \$300 million was made on the U.S. \$3.0 billion line of credit with other U.S. international banks. As at December 31, 1980 there was U.S. \$900 million of these drawings outstanding.

The reference tables provide details of new issues and retirements of Government of Canada marketable debt in 1980 and changes in marketable securities and CSBs outstanding.

Compared to changes in the borrowing requirements discussed above on a calendar year basis, data on public debt are available in the Public Accounts on a fiscal year basis. Federal government domestic unmatured debt transactions and

Table 6.6

**Non-Bank General Public Holdings of
Government of Canada Direct and Guaranteed Securities
(Denominated in Canadian dollars)**

	December 31, 1978		December 31, 1979		December 31, 1980	
	(\$ billions)	(per cent)	(\$ billions)	(per cent)	(\$ billions)	(per cent)
Treasury bills	3.7	10.6	4.0	9.9	7.6	15.1
Marketable bonds	11.2	31.9	18.1	44.1	25.0	49.9
Canada Savings Bonds.....	20.2	57.5	18.9	46.0	17.6	35.0
Total	35.1	100.0	41.0	100.0	50.2	100.0

Source: *Bank of Canada Review*, monthly.

foreign borrowings increased total unmatured debt outstanding by \$15 billion in 1978/79 and \$5.5 billion in 1979/80 as indicated in the reference tables. As a percentage of GNP, total unmatured debt outstanding declined from 29 per cent in 1978/79 to 27.7 per cent in 1979/80 in part as a result of a rundown in cash balances and a small net source of funds from foreign exchange transactions. Another measure of federal debt, gross debt, followed a similar broad pattern. Net debt increased from 25.1 per cent of GNP in 1978/79 to 26.5 per cent in 1979/80. Net debt charges increased from 1.7 per cent of GNP in 1978/79 to 2 per cent in 1979/80 while gross debt charges increased from 3.1 per cent of GNP to 3.3 per cent over the same period.

**Provincial and
Local Governments**

The surplus of the provincial-local government sector, including hospitals, declined \$0.6 billion in 1980, reversing a trend towards smaller deficits or larger surpluses which began in 1976, as shown in Table 6.7. This happened as the sector's total revenue increased 11.5 per cent in 1980, 1.0 per cent faster than in 1979, while the growth rate of expenditure rose from 9.9 per cent in 1979 to 12.9 per cent in 1980. The trend towards larger surpluses in the three westernmost provinces, Alberta, Saskatchewan and British Columbia, continued uninterrupted as their surpluses increased \$0.4 billion in 1980, again mainly due to the large increase in natural resource royalties which grew 25.5 per cent in 1980 compared to 20.4 per cent in 1979. The trend towards smaller deficits in the other provinces was, however, reversed in 1980 as their combined deficits increased \$1.0 billion.

Growth in provincial-local government own-source revenues, excluding rapidly escalating investment income, was 11.1 per cent in 1980. Above-average growth in tobacco taxes, certain miscellaneous other taxes, and personal income tax (despite discretionary cuts in the latter), were offset by below-average growth in corporate income taxes, retail sales taxes, local property taxes and motive fuel taxes.

Direct taxes on persons, as is shown in Table 6.8, increased by 13.3 per cent in 1980 which was greater than the growth of GNP and much greater than the 3.8-per-cent growth experienced in 1979. The low growth rate in 1979 mainly reflected the expiry of federal income tax transfers to provinces in 1978 to finance temporary sales tax reductions. There were discretionary reductions in provincial income taxes in 1980, worth about \$360 million. These included the commencement of the phasing-in of the indexation of Quebec's personal income tax exemptions, worth about \$200 million, and a 3-per-cent reduction in the amount of

Table 6.7

Provincial-Local Government (Including Hospitals)
Revenue, Expenditure and Net Position
(National income and expenditure accounts basis)

	Revenue		Expenditure		Surplus or deficit(-)		
					All provinces	Sask., Alta. & B.C.	Other provinces ⁽¹⁾
	(\$m)	(per cent change)	(\$m)	(per cent change)	(\$m)	(\$m)	(\$m)
1973	26,420	14.1	27,024	13.1	-604	298	-902
1974	32,630	23.5	32,715	21.1	-85	799	-884
1975	37,426	14.7	39,673	21.3	-2,247	377	-2,624
1976	43,423	16.0	45,437	14.5	-2,014	935	-2,949
1977	50,983	17.4	51,044	12.3	-61	1,902	-1,963
1978	57,352	12.5	55,948	9.6	1,404	2,918	-1,514
1979	63,352	10.5	61,495	9.9	1,857	2,997	-1,140
1980	70,642	11.5	69,400	12.9	1,242	3,356	-2,114

⁽¹⁾ Includes Yukon and Northwest Territories.

Sources: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; Statistics Canada, *Provincial Economic Accounts*, annual, cat. 13-213; and Department of Finance.

Quebec's income tax otherwise payable. The growth rate of direct taxes on corporations declined to 10.1 per cent in 1980 from 23.7 per cent in 1979 because of a significant slowdown in the pace of economic activity. Discretionary tax changes in this area for 1980 were minor and largely offsetting. The economic slowdown, along with the further extension of certain sales tax exemptions in several provinces, also led to some slowing in the rate of growth of indirect taxes from 12.1 per cent in 1979 to 9.9 per cent in 1980. One factor responsible for the relatively high growth rate of indirect taxes in 1979 was the 20.3-per-cent increase in retail sales taxes due to the expiry of the temporary sales tax cuts introduced in 1978. In 1980, Prince Edward Island, Quebec, Manitoba and Saskatchewan shifted from volume to value-based motive fuel taxation. In December 1980, Ontario suspended for six months its 7-per-cent sales tax on a number of selected commodities. The impact of these measures, however, was quite small in 1980 and would be felt mainly in 1981 and after. Provincial budgets in 1979 and 1980 introduced tobacco tax increases worth \$40 million in 1980.

The growth rate of provincial-local government expenditure, which had been restrained at or below the growth rate of GNP through most of the latter part of the 1970s, moved above GNP growth in 1980 as expenditures increased 12.9 per cent (see Table 6.9). This reversal reflects both the cyclically weak GNP growth and significant increases in the growth rates of a number of expenditure components. Transfers to persons increased 16.2 per cent in 1980 compared to 10.4 per cent in 1979, while outlays for current non-wage goods and services grew 13.7 per cent in 1980 compared to 6.7 per cent in 1979. Government wages and salaries increased 13.1 per cent in 1980 compared to 9.6 per cent in 1979 as employment growth in four sub-sectors mainly within the provincial-local government sector, namely, provincial, municipal, education, and hospital and welfare, jumped 1.9 percentage points from 0.4 per cent in 1979 to 2.3 per cent in 1980. While the education employment component grew less than 1 per cent on average, public administration expanded nearly 2 per cent and hospital employment rose over

Table 6.8

**Provincial-Local Government (Including Hospitals) Revenue
(National income and expenditure accounts basis)**

	1979		1980	
	(\$m)	(per cent change)	(\$m)	(per cent change)
Direct taxes – persons				
Personal income tax	11,255	3.0	12,856	14.2
Other	1,986	8.5	2,146	8.1
Total	13,241	3.8	15,002	13.3
Direct taxes – corporation	3,205	23.7	3,528	10.1
Indirect taxes				
Retail sales tax	5,480	20.3	6,002	9.5
Gasoline tax	1,737	6.0	1,878	8.1
Tobacco tax	638	6.5	741	16.1
Local property taxes	8,517	8.2	9,376	10.1
Other	5,564	13.5	6,109	9.8
Total	21,936	12.1	24,106	9.9
Investment income				
Natural resource royalties ⁽¹⁾	4,520	20.4	5,673	25.5
Other	3,239	9.6	3,430	5.9
Total	7,759	15.6	9,103	17.3
Other own-source revenue	5,448	12.2	6,065	11.3
Total own-source revenue	51,589	11.0	57,804	12.0
Federal cash transfers	11,763	8.2	12,838	9.1
Total revenue	63,352	10.5	70,642	11.5

⁽¹⁾ Includes remittances from the British Columbia Petroleum Corporation.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

3 per cent. Staffing growth in all categories was particularly noticeable in western Canada, reflecting migration to that area. In 1980, as in most recent years, growth in the average wage per employee of these provincial-local government sub-sectors exceeded those in the private sector and in the bulk of the federal government sector. These increases in the growth rates of certain categories of provincial-local government expenditure were, to some extent, offset by declines in the growth rates of capital formation and interest on the public debt. The growth in interest payments has declined despite higher interest rates in 1980 because of the decline, until 1980, in provincial-local government deficits or increases in surpluses, and because of Alberta's financing of the redemption in advance of maturity of a significant part of its hospital and municipal debt in 1979 and 1980.

Borrowing requirements of the provincial-local government sector increased \$2 billion in 1980 to \$11.5 billion after a \$1 billion decline in 1979 as shown in Table 6.10. This large jump occurred as this sector increased its cash balances \$3.9 billion – a much larger cash increase than in 1979 – and registered a budget surplus of \$1.2 billion, down \$0.6 billion from 1979. Direct and guaranteed financing requirements increased slightly to nearly \$7.6 billion in 1980 after several years of decline. Non-budgetary and enterprise financing requirements have

Table 6.9

**Provincial-Local Government (Including Hospitals) Expenditure
(National income and expenditure accounts basis)**

	1979		1980	
	(\$m)	(per cent change)	(\$m)	(per cent change)
Final demand expenditure				
Current goods and services				
Wages and salaries	28,411	9.6	32,136	13.1
Other	10,153	6.7	11,544	13.7
Total	38,564	8.8	43,680	13.3
Gross capital formation	6,752	12.7	7,339	8.7
Total final demand	45,316	9.4	51,019	12.6
Transfers to persons	9,405	10.4	10,924	16.2
Subsidies and capital assistance	1,393	16.7	1,515	8.8
Interest on the public debt	5,381	12.1	5,942	10.4
Total expenditure	61,495	9.9	69,400	12.9

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

shown considerable stability over the period 1977 to 1980. In 1980, both non-budgetary and Crown enterprise requirements edged down a little, reflecting a modest increase in capital formation by Crown enterprises and some continuing widening in their surpluses between user charges and operating costs. Credits in Canadian currency which constituted 50 to 75 per cent of the total borrowing until the last two years burgeoned to over 80 per cent and 90 per cent respectively in 1979 and 1980. Featuring strongly in this advance have been the Quebec government sector bond holdings of all the funds managed by the Caisse de dépôts et placements, direct bond placements by many provinces in the trustee pension funds of their employees and, in 1980, Quebec's issue of savings bonds and the all-province upsurge in marketable bond issues. Annual bond placements by other provinces with the Alberta Heritage Fund have increased from \$50 million in the mid-1970s to around \$600 million currently. All of the \$920 million in foreign-pay borrowing in 1980 was in U.S. currency. Redemptions in Europe and Japan exceeded gross new issues.

**Canada and Quebec
Pension Plans**

The surpluses of the Canada and Quebec Pension Plans (C/QPP), totalling just over \$3 billion in 1980, increased \$0.3 billion in the year, about the same as the increase in 1979. The rate of revenue growth slowed slightly and expenditures rose more rapidly as shown in Table 6.11. Most of the surplus CPP funds are borrowed by the provincial governments. These borrowings amounted to \$1,900 million in 1980, as shown in Table 6.10.

The growth rate of revenues declined from 16 per cent in 1979 to 15.6 per cent in 1980. The trend in the growth of contributions, which is the principal source of C/QPP revenues, is basically dependent upon the growth in the average level of earnings from employment and on yearly maximum pensionable earnings which are currently increasing 12.3 per cent annually. Investment income is the second-source of revenue for the C/QPP. It maintained its rapid growth in 1980. The

Table 6.10

**Provincial-Local Government (Including Hospitals)
and Enterprise Borrowing Requirements and Financing
(Financial flow accounts basis)**

	1977	1978	1979	1980
Requirements (—)				
Government surplus or deficit (—)	— 61	1,404	1,857	1,242
Enterprise capital formation	— 6,651	— 7,349	— 7,711	— 7,992
Internally generated funds	1,406	1,470	2,259	2,567
Requirements	— 5,245	— 5,879	— 5,452	— 5,245
Non-budgetary requirements ⁽¹⁾	— 3,237	— 3,806	— 3,656	— 3,580
Total direct and guaranteed financing requirements	— 8,543	— 8,281	— 7,251	— 7,583
Increases (—) in cash balances	— 1,075	— 2,244	— 2,244	— 3,877
Total borrowing requirements	— 9,618	— 10,525	— 9,495	— 11,460
Net borrowing				
Domestic				
Bonds issued to CPP investment fund	1,644	1,663	1,896	1,900
Bonds bought by Caisse de Dépôts	652	759	1,142	1,204
Direct placement in own trustee funds	1,482	1,501	1,785	2,199
Federal loans ⁽²⁾	188	101	85	5
Saving bonds and short-term paper	— 351	345	— 224	1,026
Bank and other loans in Canada ⁽²⁾	— 20	452	356	66
Other bonds issued in Canada	2,699	2,887	2,655	4,140
Total net borrowing in Canada	6,294	7,708	7,695	10,540
Foreign				
Foreign bond issues	3,010	1,598	1,271	457
Foreign bank loans	314	1,219	529	463
Total net foreign borrowing	3,324	2,817	1,800	920
Total net borrowing	9,618	10,525	9,495	11,460

⁽¹⁾ This is a residual series.

⁽²⁾ On a fiscal year basis.

Sources: Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; Bank of Canada; and Department of Finance.

combined C/QPP investment income increased 17.2 per cent in 1980 compared to 21.0 per cent in 1979. The maintained high growth rate of investment income is a result of an increasing stock of interest-bearing assets of the C/QPP and consistently high interest rates.

The C/QPP expenditures in 1980 continued to grow at a rapid pace, considerably more than the growth rate of revenues. The 22.7-per-cent growth rate of expenditures in 1980 marks a reversal of a slowing trend in expenditure growth rates which began in 1976. This has occurred mainly because of increasing growth in the number of beneficiaries. The number of total CPP beneficiaries increased 12 per cent in 1980 (June over June) compared to only 9 per cent in 1979. The number of beneficiaries receiving retirement pensions increased 14.5 per cent in 1980 compared to 9.5 per cent in 1979. Furthermore, since 1976, an increasing

Table 6.11

Canada and Quebec Pension Plans
Revenue, Expenditure and Net Position
(National income and expenditure accounts basis)

	1979		1980	
	(\$m)	(per cent change)	(\$m)	(per cent change)
Revenue				
Contributions				
CPP	2,318	14.6	2,604	12.3
QPP	769	9.2	937	21.8
Investment income				
CPP	1,241	18.3	1,475	18.9
QPP	580	27.2	659	13.6
Total revenue	4,908	16.0	5,675	15.6
Expenditure				
Goods and services				
CPP	50	13.6	58	16.0
QPP	24	-11.1	29	20.8
Benefits to residents				
CPP	1,535	23.2	1,903	24.0
QPP	554	21.8	664	19.9
Benefits to non-residents	11	10.0	13	18.2
Total expenditure	2,174	22.0	2,667	22.7
Surplus				
CPP	1,963	10.8	2,105	7.2
QPP	771	13.7	903	17.1
Total surplus	2,734	11.6	3,008	10.0

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

fraction of beneficiaries have contributed for at least 10 years and are thus eligible for maximum benefits. Benefits have been fully indexed since 1974.

The Total Government Sector

Tables 6.12 to 6.14 provide data on total government revenue, expenditure and budget balance position. The deficit of the total government sector increased \$1.9 billion in 1980 after improving \$2.6 billion in 1979, as expenditures grew faster than revenues.

Revenue growth at 13.6 per cent in 1980 exceeded that in 1979 even in the face of a substantial slowdown in economic activity. This high growth rate occurred mainly because of the upward adjustment in certain federal tax rates and sharp increases in provincial natural resource royalties. These increases were offset to some extent by a significant slowing in the growth rate of corporate tax revenues.

The growth in expenditure increased from 9.1 per cent in 1979 to 14.8 per cent in 1980 and outpaced the growth in revenues at 13.6 per cent. The growth rates in two categories, transfers to persons, and subsidies and capital assistance, accelerated quite sharply in 1980. Transfers to persons increased 14.9 per cent in

1980 compared to 5.1 per cent in 1979, and subsidies and capital assistance advanced from an already high 27.6-per-cent growth rate in 1979 to 50.1 per cent in 1980. Interest on the public debt increased 15.4 per cent in 1980 compared to 20.1 per cent in 1979. Final demand expenditure on current goods and services increased 12.1 per cent, only slightly more than the 11.4-per-cent increase in the corresponding price index. Gross fixed capital formation increased 9.0 per cent in nominal terms compared to the increase of 7.6 per cent in the corresponding price index.

Analysis of Budget Balances

As shown in Table 6.15, the federal budget deficit increased \$1.6 billion in 1980 after declining \$1.8 billion in 1979, and the deficit of the total government sector increased \$1.9 billion in 1980 relative to 1979. In interpreting levels and changes in budget balances, it is often useful to consider what these would be without the impact of cyclical movements in the economy. In addition, attention is increasingly being given to the impact of inflation on the interpretation of interest payments and deficits as conventionally measured. Analysts have developed two types of adjusted budget balance estimates, the cyclically-adjusted or high-employment budget balance, and the inflation-adjusted budget balance, as aids to the interpretation of budget balances. Both appear useful in providing some quantitative indication of the importance of the factors involved. Both, however, are subject to certain conceptual questions, and to empirical uncertainties in their estimation. The cyclically-adjusted budget balance, which has been presented in previous issues of the *Economic Review* and which portrays the budget balance at a hypothetical average level of economic activity, will be considered first. It is based on adjustment of the actual balance to remove estimates of the automatic response of revenues and unemployment insurance benefits to cyclical fluctuations in the economy. The inflation-adjusted budget balance, which depicts the budget balance adjusted to reflect the decline in the real value of the net public debt resulting from inflation, will then be discussed.

If real GNP had increased at an average rate in 1980, instead of slowing to 0.1 per cent, it is estimated that with the existing tax and expenditure structures the federal deficit would have declined.⁽⁴⁾ As noted above, the actual deficit increased by \$1.9 billion. This is the second year in a row in which the cyclically-adjusted federal deficit has declined, indicating a shift to a less expansionary underlying fiscal stance. On a cyclically-adjusted basis, the balance of the total government sector would also show a significant swing to approximate balance in 1980, in contrast to the increase in the actual deficit.

Calculations of cyclically-adjusted budget balances depend on the assumptions made as to the underlying or non-cyclical growth rate of the economy and as to what constitutes an average level of economic activity or capacity utilization. These assumptions allow a breakdown of the actual budget balance into cyclical and non-cyclical components. The appropriateness of these assumptions has become subject to increasing uncertainty in recent years. The uncertainty is increased by the fact that two of the most commonly used aggregate indicators of cyclical movements in the economy, the rate of increase of real GNP and the unemployment rate, gave very different readings on the extent of the cyclical

⁽⁴⁾ On the basis of an assumed average growth rate for real GNP of 3.7 per cent, the cyclically-adjusted federal balance is estimated to have declined by some \$800 million from 1979 to 1980 (see Reference Table 55). The method of calculating the cyclically-adjusted balances, shown in the reference table, has changed somewhat from that described in previous issues of the *Economic Review*. Instead of using an aggregate elasticity for adjusting total revenues of a level of government, individual elasticities are now used for adjusting disaggregated sources of revenues. This allows for changes in the mix of revenues, in particular the changing relative importance of resource revenues which are not cyclically sensitive.

Table 6.12

Total Government Revenue, Expenditure and Net Position
(National income and expenditure accounts basis)

	Revenue		Expenditure		Surplus or deficit (-)
	(\$m)	(per cent change)	(\$m)	(per cent change)	(\$m)
1973.....	46,297	16.3	45,045	13.4	1,252
1974.....	58,756	26.9	55,961	24.2	2,795
1975.....	64,239	9.3	68,288	22.0	-4,049
1976.....	73,496	14.4	76,718	12.3	-3,222
1977.....	80,896	10.1	86,312	12.5	-5,416
1978.....	88,727	9.7	95,829	11.0	-7,102
1979.....	100,015	12.7	104,555	9.1	-4,540
1980.....	113,578	13.6	120,051	14.8	-6,473

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

slowdown in 1980. Estimates of cyclically-adjusted budget balances are included in the reference tables. The preceding comments on uncertainties should reinforce the caveat with which cyclically-adjusted or high-employment budget balance estimates are often accompanied: significant year-to-year changes in the series provide a useful if rough indicator of shifts in the underlying fiscal stance, but the level of the series is somewhat arbitrary and comparison of levels between periods some years apart is an increasingly speculative exercise.

A significant influence on the government sector balance in Canada, and in many other industrialized countries, in recent years has been the rapid growth in interest payments on the public debt. While there has been substantial growth in public debt since 1974, the rise in the average level of interest rates over the past decade has also played a major role. Many observers view the rise in interest rates as, in considerable part, a response to the higher average rates of inflation experienced in recent years. Higher inflation rates affect the interpretation of debt service payments. In an inflationary environment, interest rates may be viewed as consist-

Table 6.13

Total Government Revenue
(National income and expenditure accounts basis)

	1979		1980	
	(\$m)	(per cent change)	(\$m)	(per cent change)
Direct taxes-persons	36,137	10.4	41,538	14.9
Direct taxes-corporations	10,371	21.5	11,495	10.8
Indirect taxes	32,597	11.2	36,249	11.2
Investment income	14,001	15.9	16,440	17.4
Other revenue	6,909	14.0	7,856	13.7
Total revenue	100,015	12.7	113,578	13.6

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

Table 6.14

Total Government Expenditure
(National income and expenditure accounts basis)

	1979		1980	
	(\$m)	(per cent change)	(\$m)	(per cent change)
Final demand expenditure				
Current goods and services				
Wages and salaries	36,131	8.6	40,388	11.8
Other	15,084	6.0	17,001	12.7
Total	51,215	7.8	57,389	12.1
Gross capital formation	7,799	8.3	8,502	9.0
Total	59,014	7.9	65,891	11.7
Transfers to persons	26,144	5.1	30,049	14.9
Subsidies and capital assistance	5,169	27.6	7,759	50.1
Transfers to non-residents	767	-24.3	816	6.4
Interest on the public debt	13,461	20.1	15,536	15.4
Gross capital formation	7,799	8.3	8,502	9.0
Total expenditure	104,555	9.1	120,051	14.8

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

ing of two elements: an "inflation premium" which compensates lenders for the decline in the real value of principal, and a "real return" which may be positive or negative. The inflation premium component amounts to a repayment of a part of the real value of the debt. Neither the public accounts nor the national accounts attempts to measure the government's fiscal position on an inflation-adjusted basis which would allow for the decline in the real value of existing government debt and of those government assets which are fixed in dollar terms, as a result of inflation. As the fixed dollar liabilities of governments generally exceed their fixed dollar assets, adjustment for inflation would result in showing lower "real" net interest expenditure and lower "real" deficits.

As in other areas of inflation accounting, there is no consensus as to the precise approach which should be taken if the government accounts are to be adjusted for inflation; there is thus a considerable range of uncertainty as to the portion of interest payments which should be treated as corresponding to the inflation premium. One approach would base the adjustment on the expected rate of inflation prevailing at the time of issue of each component of the outstanding stock of public debt. This involves the difficult issue of measuring expected inflation at a particular point in time, and would produce a series of adjustments which changed only gradually as bonds matured and new issues were made. An alternative approach is to base the adjustment on the decline in the real value of total existing debt, net of government fixed dollar assets, using the actual rate of inflation in the year in question. Table 6.15 illustrates the impact on the budget balance of an adjustment based on the latter approach, with actual inflation measured by the assumed rate of change of the GNP implicit price index. It should be stressed that this approach results in a considerably larger adjustment for inflation, for the current and recent years, than would the approach based on expected inflation as of the date of issue of each component of the debt.

Table 6.15

Government Budget Balances:**Actual and Adjusted for the Effect of Inflation on the
Real Value of Net Public Debt****(National income and expenditure accounts basis)**

	Actual balance (surplus or deficit (-))		Illustrative inflation-adjusted balance ⁽¹⁾ (surplus or deficit (-))	
	Federal government	All governments	Federal government	All governments
	(\$ millions)			
1970	266	806	1,075	2,148
1971	-145	130	463	1,145
1972	-566	81	468	1,786
1973	387	1,252	2,717	5,120
1974	1,109	2,795	4,187	7,937
1975	-3,805	-4,049	-1,621	-377
1976	-3,391	-3,222	-1,047	710
1977	-7,593	-5,416	-5,676	-2,326
1978	-10,955	-7,102	-8,377	-3,137
1979	-9,131	-4,540	-3,008	4,100
1980	-10,723	-6,473	-4,580	1,727
	(as a percentage of GNP)			
1970	0.3	0.9	1.3	2.5
1971	-0.2	0.1	0.5	1.2
1972	-0.5	0.1	0.4	1.7
1973	0.3	1.0	2.2	4.1
1974	0.8	1.9	2.8	5.4
1975	-2.3	-2.5	-1.0	-0.2
1976	-1.8	-1.7	-0.5	0.4
1977	-3.6	-2.6	-2.7	-1.1
1978	-4.8	-3.1	-3.6	-1.4
1979	-3.5	-1.7	-1.2	1.6
1980	-3.7	-2.2	-1.6	0.6

⁽¹⁾ Net fixed-price assets and liabilities at the end of each year for the two levels of government are obtained from the *Financial Flow Accounts*. Assets and liabilities in the form of equities and claims on associated enterprises are excluded as they are assumed to represent claims on real resources and hence are unaffected by inflation.

Sources: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and the Department of Finance.

With net dollar fixed liabilities of \$62 billion in 1980, and an increase in the GNP deflator of 9.9 per cent (fourth quarter 1980 over fourth quarter 1979), adjustment for inflation under the above approach reduces the federal deficit in 1980 by \$6.1 billion to \$4.6 billion, or 1.6 per cent of GNP. Thus almost 57 per cent of the deficit can be viewed as being offset by a decline in the real value of net existing debt. It will also be noted that the inflation adjustment has increased significantly over the course of the 1970s, rising from 1.0 per cent of GNP in 1970 to 2.1 per cent of GNP in 1980. For the consolidated total government sector, inflation adjustment shifts the budget balance from a deficit equal to 2.2 per cent of GNP in 1980 to a surplus of 0.6 per cent of GNP. Again, the adjustment increases considerably through the 1970s.

International Comparisons

The 1979 and 1980 issues of the *Economic Review* presented international comparisons of budget balances, aggregate government expenditures and expenditures by functional categories, and public debt. The information on budget balances by level of government taken from publications of the Organization for Economic Cooperation and Development is again updated and shown in Tables 6.16 and 6.17. It should be noted that comparisons between budget balances of the total government sector are more meaningful than between central government budget balances because of differing divisions of responsibilities in different countries between central and other levels of government.

Table 6.16

An International Comparison of Total Government⁽¹⁾ Budget Balances as Percentages of Gross Domestic Product or Gross National Product

	Average 1967-74	1975	1976	1977	1978	1979	1980 ⁽²⁾
Canada.....	0.9	-2.5	-1.7	-2.6	-3.1	-1.7	-2.3
France.....	0.5	-2.2	-0.5	-1.3	-2.3	-0.8	-0.7
Germany.....	-0.2	-5.8	-3.6	-2.6	-2.8	-3.0	-3.3
Italy.....	-6.3	-11.7	-9.1	-8.1	-10.6	-9.4	-8.3
Japan.....	0.9	-2.6	-3.8	-3.7	-6.1	-5.2	-4.5
United Kingdom.....	-0.9	-5.0	-4.9	-3.4	-4.2	-3.3	-3.2
United States.....	-0.5	-4.2	-2.1	-1.0	0	0.5	-1.3

⁽¹⁾ Includes central and local governments and the social security system, but excludes public corporations.

⁽²⁾ OECD estimates except for Canada and the United States which are actual.

Sources: OECD, *National Accounts of OECD Countries*, 1978, Volume II; OECD, *Economic Outlook*, December 1980; Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; and for the United States, *Economic Report of the President*, updated in some cases with more recent information.

Table 6.17

An International Comparison of Central Government Budget Balances as Percentages of Gross Domestic Product or Gross National Product

	Average 1967-74	1975	1976	1977	1978	1979	1980
Canada.....	0.2	-2.3	-1.8	-3.6	-4.8	-3.5	-3.7
France.....	0.6	-1.9	-0.1	-0.7	-1.3	—	—
Germany ⁽¹⁾	-0.2	-3.0	-2.3	-1.5	-1.6	—	—
Italy ⁽¹⁾	-3.7	-7.4	-4.6	-4.9	-11.7	—	—
Japan ⁽¹⁾	-0.7	-4.2	-4.5	-5.5	-6.2	—	—
United Kingdom.....	1.7	-3.4	-4.1	-2.9	-3.7	—	—
United States.....	-1.0	-4.6	-3.1	-2.4	-1.3	-0.6	-2.4

⁽¹⁾ The average is for 1970-74 instead of 1967-74.

Sources: OECD, *National Accounts of OECD Countries*, 1978, Volume II; Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; and for the United States, *Economic Report of the President*, updated in some cases with more recent information.

7. Financial Developments

Introduction

Economic activity and market interest rates in Canada have exhibited considerable variability over the past 18 months. Although monetary policy continued to be directed towards a gradual reduction in the rate of growth of the money supply, the volatile movements and record levels of interest rates that were experienced in the United States had an important impact on interest rate developments in Canada. Because of the close links between Canadian and U.S. financial markets such volatility in U.S. interest rates faced Canada with a choice between accepting similar volatility in its own short-term interest rates or experiencing wider swings in the exchange rate between the Canadian and U.S. dollar. In the event, interest rates in Canada did not reach such high levels or move over as wide a range. For this reason interest rate differentials between Canada and the United States fluctuated quite widely over the year and contributed to associated changes in the exchange rate. Over the year as a whole the Canadian dollar fell by almost two cents against its counterpart in the United States.

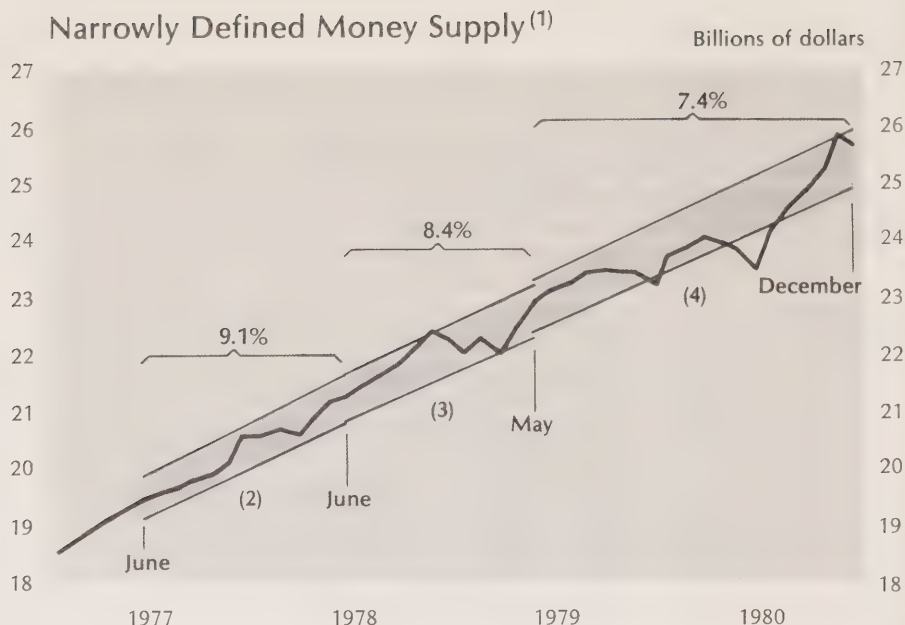
The domestic borrowing activities of Canadians during 1980 were importantly influenced by the movements of interest rates and an increasingly wary attitude toward long-term financing commitments. Despite these movements in interest rates, the volume of funds raised in credit markets was nevertheless a substantial \$70 billion, up \$9 billion from the previous year. There was also a definite movement to shorten the maturity structure of debt. Funds raised in short-term markets accounted for almost one-half of total credit expansion compared to one-third in 1979.

Monetary Policy

Since 1975 the Bank of Canada has been following a policy of gradually reducing the growth of the money supply through its influence on short-term interest rates. The ultimate goal has been to achieve a rate of monetary expansion sufficient to accommodate as high a level of sustained economic activity as is compatible with a gradual reduction in the rate of inflation. As a further step in implementing the Bank's longer-term monetary policy objective, a new target range was announced in late 1979 for the growth of the money supply (defined as currency and chartered bank demand deposits, or M1) of 5 to 9 per cent per year measured from the average level in the second quarter of 1979. This target range represented a reduction of one percentage point from the previous target limits. The Bank of Canada operated throughout 1980 with this target range and by the end of the year the annual rate of growth of M1 from the base period was 7.4 per cent. On February 13, 1981 the Bank of Canada set a new target range for the annual rate of growth of M1 of 4 to 8 per cent measured from the average level for the three months centered on September 1980.

The conduct of monetary policy and the management of the exchange rate in Canada during 1980 were importantly influenced by developments in the United States. On October 6, 1979 the Federal Reserve Board announced new operating procedures aimed at placing "greater emphasis in day-to-day operations on the supply of bank reserves and less emphasis on confining short-term fluctuations in the Federal Funds rate". Because there are wide day-to-day variations in the

Chart 7.1



(1) Currency outside banks plus demand deposits (M1).

(2)(3)(4) The parallel bands are two per cent on either side of a trend line depicting a 9-per-cent, 8-per-cent and 7-per-cent annual increase, respectively.

Source: Bank of Canada, *Review*, monthly.

demand for reserves, owing to factors such as variations in float or shifts of deposits within the banking system, the new operating procedure resulted in wider short-run swings in the Federal Funds rate than was the case with the former approach which entailed limiting movements of that rate within a narrow band.

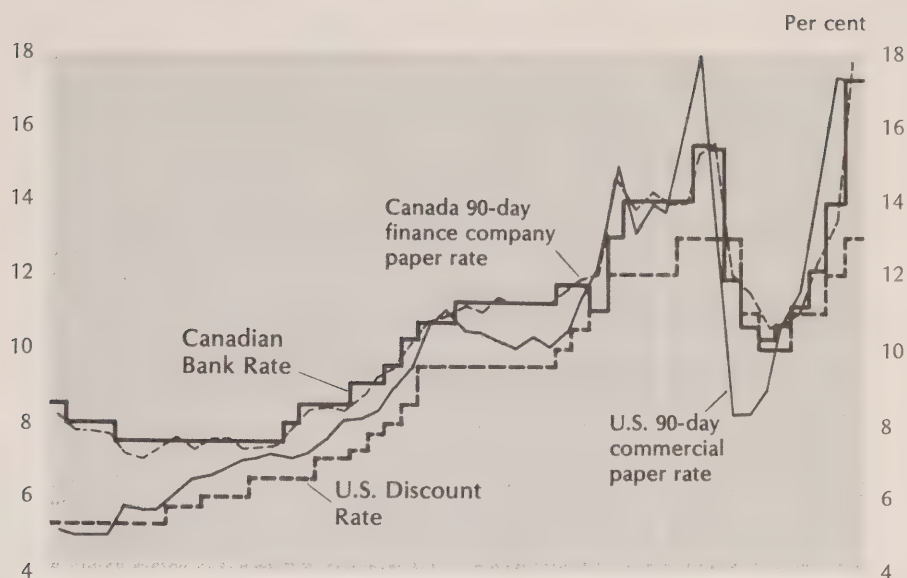
Although the Bank of Canada continued to adhere to its longer-term monetary policy of gradually bringing down the rate of growth of the money supply, interest rate developments in Canada were, of course, importantly influenced by the highly volatile interest rate movements in the United States. Because excessive downward pressure on the exchange rate puts upward pressure on Canadian costs and prices, some emphasis was placed on maintaining interest rates in Canada at levels which avoided undue pressure on the exchange rate with its associated inflationary impact. Nonetheless, Canadian interest rates were much more stable as they did not rise as high or fall as low as those in the United States. While interest rates in Canada were, on balance, somewhat higher in 1980 than in the previous year, the level should be viewed in the context of the underlying rate of inflation and inflationary expectations.

Interest Rate Developments

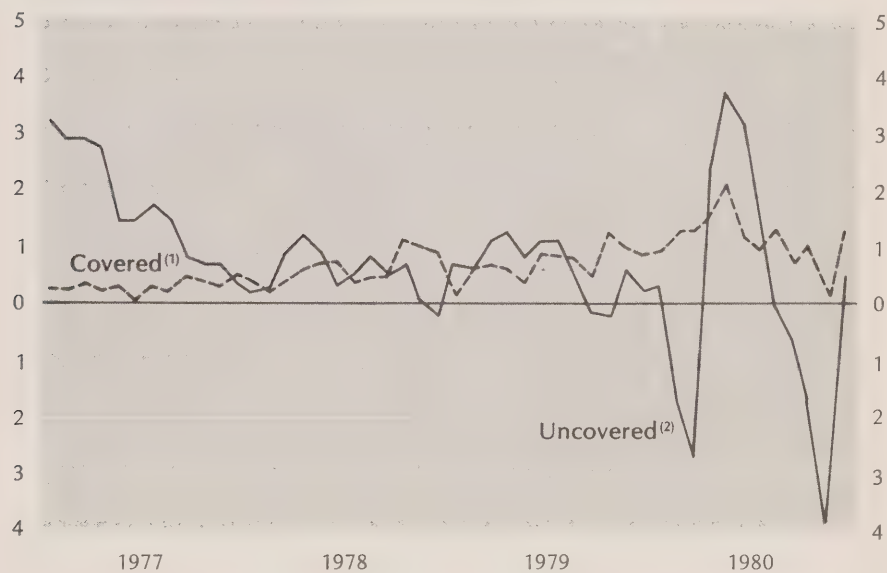
In examining recent movements of interest rates in Canada it is possible to identify three periods. The first period featured rising interest rates between mid-1979 and early 1980. After interest rates peaked in early April they fell rather quickly and remained at somewhat lower levels during the summer months. By September,

Chart 7.2

Selected Short-Term Interest Rates



Short-Term Money Market Yields
Canada—U.S. Differential



- (1) Canada 90-day finance company paper yield less the U.S. 90-day commercial paper yield, corrected for the cost of forward cover. A positive covered differential indicates an incentive for hedged short-term investment in Canada.
- (2) Canada 90-day finance company paper yield less the U.S. 90-day commercial paper yield.

Source: Bank of Canada, *Review*, monthly.

however, a third period emerged as interest rates rose again and continued to climb during the remainder of the year.

The Interest Rate Rise – Mid-1979 to Early 1980

Interest rates, although already high by historical standards, rose sharply from mid-1979 to early April 1980. For example, the yield on three-month Treasury bills averaged 7.3 per cent in 1977 and 8.7 per cent in 1978. By July 1979, the yield had risen to almost 11.25 per cent but, by early April 1980, Treasury bill yields had moved above 16 per cent. Virtually all other interest rates recorded similar sharp movements during this period, with increases being more pronounced for shorter-term maturities.

The increase in interest rates during this period was somewhat greater than that which would have been normally expected on the basis of growth in the domestic monetary aggregates. The rate of growth of M1 from the new base period had been declining steadily throughout the last half of 1979 reaching 3 per cent at an annual rate by the end of the year. The rise in Canadian interest rates that took place was, in part, the result of a concern regarding possible pressure on the exchange rate.

Over the second half of 1979 and into the early part of 1980 the external value of the Canadian dollar traded within a range of just under U.S. \$0.85 to \$0.86. However, when the differential in short-term interest rates between Canada and the United States swung around sharply beginning in February, the Canadian dollar came under considerable pressure in foreign exchange markets and by early April had dropped below U.S. \$0.84. The subsequent sharp fall in U.S. interest rates and the continuation of high interest rates in Canada during April helped stabilize the exchange rate and maintain the dollar above U.S. \$0.84 during the rest of the month.

The run-up in interest rates that took place coincided with a slowdown in the Canadian economy, particularly in the areas of housing demand and consumer spending on durables. High interest rates dampened activity in several local housing markets as Canadians appeared to be less willing to take on long-term commitments at such high rates of interest. By the time the general level of interest rates had peaked in early 1980, several mortgage lenders quoted rates above 17 per cent and house building activity continued to slide. In addition, Canadians who were renewing their mortgages at this time saw their monthly payments jump by sizeable amounts due almost entirely to increases in interest payments. However, gross debt service ratios of home owners did not appear to increase appreciably since incomes had risen substantially over the previous five years. Some borrowers opted for short-term mortgages in the anticipation that interest rates would soon fall.

High and rising interest rates also appeared to have contributed to a marked slowdown in interest-rate-sensitive consumer spending in late 1979. Most severely affected were sales of North American automobiles. Generally weak consumer spending led to a sharp rise in inventories, which may have been a factor in the strong growth in chartered bank business loans during the fourth quarter.

In late winter the Bank of Canada announced that, beginning on March 13, 1980 and until further notice, its Bank Rate would be set at one-quarter percentage point above the average rate established in the weekly tender for three-month Treasury bills issued by the Government of Canada. In the press release that accompanied the statement, the Governor said that the Bank had decided on using this approach to establish the Bank Rate because it believed that in the prevailing state of financial markets a floating Bank Rate would give the Bank

additional flexibility in avoiding any greater increase in short-term interest rates in Canada than would be consistent with the containment of inflation in Canada. Following the move to a floating rate, the Bank Rate rose from the previously established level of 14 per cent to almost 16.25 per cent in early April.

The Interest Rate Decline – April to July 1980

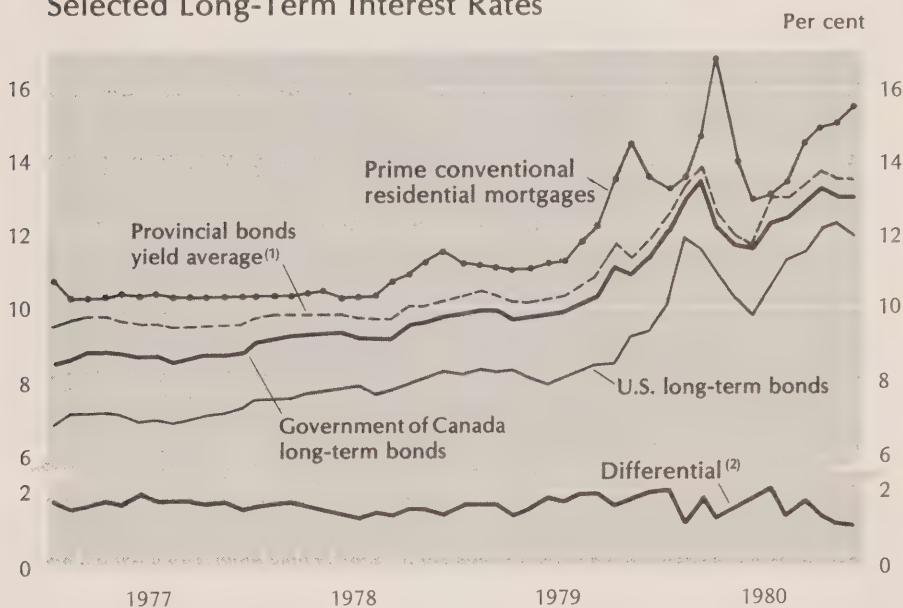
After peaking in early April, interest rates began to decline rather quickly. For example, the yield on three-month Treasury bills which exceeded 16 per cent in early April, fell precipitously through the summer averaging just over 10 per cent in July. Other interest rates followed a similar course and again securities with the shortest maturities showed the widest movements.

The main underlying factor in this reversal was the sharp fall in interest rates in the United States. However, since interest rates in Canada did not fall as much, the traditional positive interest rate differential between the two countries was restored. At the same time, growth in the money supply also slowed in a delayed response to the previously high level of interest rates.

The reluctance of the Canadian authorities to allow Canadian short-term interest rates to move down as quickly as those in the United States led to large interest rate differentials between the two countries for several months. At times, Canadian short-term interest rates were over 350 basis points above those in the United States. The rather large differentials between U.S. and Canadian short-term

Chart 7.3

Selected Long-Term Interest Rates



(1) McLeod, Young, Weir and Co. Ltd., 10 provincial bonds yield average.

(2) Government of Canada long-term bond yield less U.S. long-term bond yield.

Source: Bank of Canada, *Review*, monthly.

interest rates that prevailed over the period from April to July contributed to the strengthening in the external value of the dollar as it moved from below U.S. \$0.85 to almost U.S. \$0.87.

The easing in interest rate pressures that took place over the summer months helped induce some pick-up in consumer demand. Automobile sales which had reached very low levels in May began to increase rather steadily and continued to show improvement through to the end of the year. Housing starts also began to show some improvement and there was an increase in activity in the resale housing market as buyers appeared to be attracted by lower mortgage rates.

The Return to High Interest Rates

The move to lower interest rates in Canada proved to be relatively short lived. While the yields on three-month Treasury bills fell back to nearly 10 per cent during the summer, by mid-August they began to rise again to peak above 17 per cent in the third week of December. Once again interest rates in Canada during this period were heavily influenced by exchange rate considerations although the rate of inflation had also begun to pick up.

The run-up in interest rates that took place in the fall was very much a replay of what had happened earlier in the year. Interest rates in the United States rose much faster than those in Canada and contributed to some weakening in the external value of the Canadian dollar throughout this period. By November the dollar had fallen to nearly U.S. \$0.84 and short-term interest rates in Canada were almost 400 basis points below those in the United States. The marked increase in Canadian short-term interest rates that took place in December, combined with a sharp drop in short-term rates in the United States after the middle of the month, virtually eliminated the interest rate differentials between the two countries and helped once again to stabilize the exchange rate. Some additional support to the Canadian dollar was provided in December through direct intervention by way of drawings under the standby credit facilities in order to avoid a substantial drop in the exchange rate.

Despite the return to higher interest rates, business investment during the second half of the year continued to show considerable strength, and helped to explain rather heavy borrowing by this sector. Chartered bank business loans increased strongly in the fourth quarter although a significant part of this growth can be attributed to large corporate borrowers moving out of the markets for bankers' acceptances and commercial paper. The switch to bank loans was prompted by a substantial narrowing in the spread between the prime rate and money market rates.

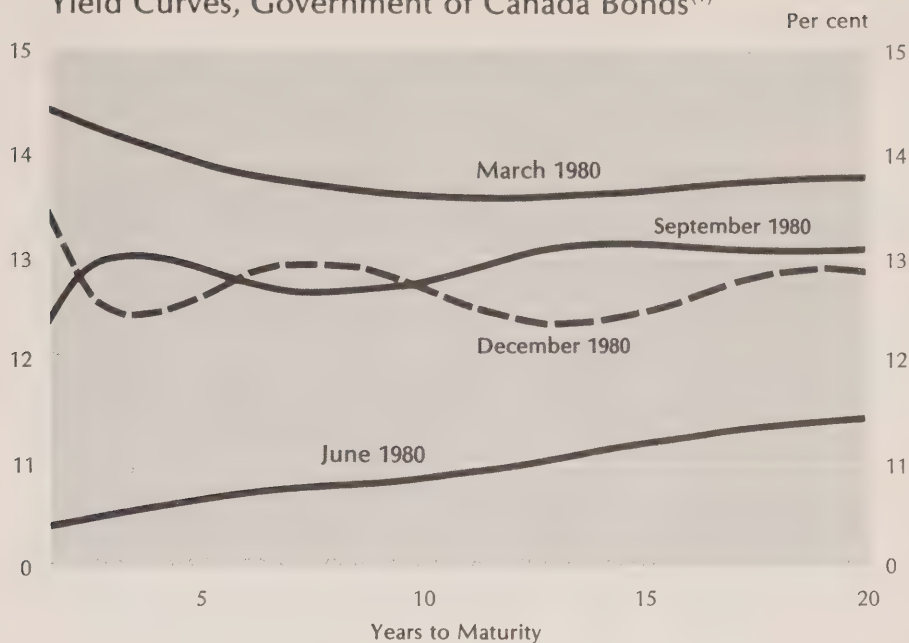
Long-Term Interest Rates

The yields on long-term securities followed the general pattern of short-term rates during 1980 although the range of fluctuation was considerably less pronounced. On balance, the yields on long-term Government of Canada bonds increased by over 125 basis points over the year, although at times they rose above 13 per cent while on other occasions they were as low as 11.25 per cent. Canadian long-term interest rates remained generally above those in the United States. However, when interest rates peaked in April and December, yields on provincial government bonds did not rise as high as those on comparable U.S. recently offered utility bonds.

As shown in Chart 7.4, the yield curve on Government of Canada bonds changed considerably over 1980. At the beginning of the year yields on long-term Government of Canada bonds were well below those on shorter-term maturities, indicating an expectation that interest rates would soon fall. A downward sloping yield curve persisted throughout the first quarter of 1980 but by the end of the second

Chart 7.4

Yield Curves, Government of Canada Bonds⁽¹⁾



(1) The yield curves were drawn using the month-end observations for various maturities of Government of Canada bonds.

Source: Department of Finance.

quarter the yield curve returned to its more normal shape rising from just under 10.50 per cent in the short and medium-term area to almost 11.50 per cent for maturities of up to 20 years. However, the yield curve on Government of Canada bonds generally flattened in the second half of the year when the general level of interest rates rose, but this time the peak was below that reached earlier in the year.

Financial Markets
in 1980

While gross national expenditure in nominal terms rose by 10.7 per cent in 1980, the increase in the volume of funds raised in Canadian financial markets as shown in Table 7.1 was considerably greater despite some weakness in the consumer credit and mortgage markets. The volatility and high level of interest rates during 1980 resulted in a considerable shortening in the term structure of debt. While the volume of funds raised in long-term markets during 1980 was again considerable, the amount of short-term financing was \$8.9 billion above the very high level of the previous year (Table 7.2). Since 1977 the requirements of the non-financial business sector have been growing fairly steadily and in 1980 they were almost \$27 billion, reflecting the continued strength of the business sector. By contrast, weaker demand for housing and consumer goods contributed to some slowing in the growth of credit extended to the household sector.

Non-Financial
Business Sector

The strong demand for financing by the non-financial business sector in 1980 was a reflection of a continuing heavy increase in outlays on machinery and equipment

Table 7.1
Credit Expansion⁽¹⁾

	1977	1978	1979	1980
	(net flows, \$ billions)			
Private domestic sectors	27.2	34.5	44.9	43.7
Loans to persons	3.3	4.8	5.1	5.0
Mortgages ⁽²⁾	13.2	16.4	15.6	12.0
Non-financial business ⁽³⁾	10.1	12.2	22.2	25.3
Other non-financial borrowers	0.6	1.1	2.0	1.3
Government sector	14.4	23.0	12.7	19.8
Federal	7.8	13.7	6.7	12.1
Federal enterprises	0.5	2.5	1.0	1.9
Provincial (direct and guaranteed debt)	5.5	6.2	4.1	5.8
Municipal	0.6	0.5	0.8	—
Non-residents	2.6	5.9	3.5	6.4
Total funds raised	44.2	63.3	61.0	69.9
Less: funds raised abroad	8.0	10.8	10.4	8.7
Funds raised in Canada	36.2	52.6	50.6	61.2
(as a percentage of GNP)	(17.3)	(22.9)	(19.4)	(21.2)

⁽¹⁾ Data may not add due to rounding. Flows data for 1980 are estimates of the Department of Finance.

⁽²⁾ Does not include mortgage borrowing from the government sector.

⁽³⁾ Excludes mortgage borrowing.

Sources: *Bank of Canada Review*, monthly; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

Table 7.2
Credit Expansion by Instrument⁽¹⁾

	1977	1978	1979	1980
	(net flows, \$ billions)			
Short-term instruments	13.2	23.1	21.2	30.1
Loans to persons	3.3	4.8	5.1	5.0
Chartered bank business loans	2.3	2.6	10.7	9.7
Other bank loans	0.3	4.1	0.2	2.4
Other	3.3	6.3	2.6	5.6
Treasury bills and short-term paper	2.3	3.4	4.0	8.6
Canada Savings Bonds	1.7	1.9	-1.3	-1.3
Long-term instruments ⁽²⁾	31.0	40.2	39.8	39.8
Marketable bonds	11.8	12.5	13.1	14.9
Mortgages ⁽³⁾	13.2	16.4	15.6	12.0
Equities	2.7	6.9	5.2	5.3
Other loans	3.3	4.5	5.8	7.6
Total funds raised	44.2	63.3	61.0	69.9

⁽¹⁾ Data may not add due to rounding. Flows data for 1980 are estimates of the Department of Finance.

⁽²⁾ Excludes borrowing by private financial institutions.

⁽³⁾ Does not include mortgage borrowing from the government sector.

Sources: *Bank of Canada Review*, monthly; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

and non-residential construction. Growth in corporate profits moderated during the year and contributed to a lowering in internally generated funds. With the gap between business outlays and internally generated funds widening, business raised a record \$26.7 billion from outside sources, about \$3.5 billion more than in the previous year.

The generally high level of interest rates during the year prompted many businesses to continue to raise a substantial part of their funds through the issue of short-term instruments. As shown in Table 7.3 the total amount of funds raised through bank loans and other short-term instruments was \$15.1 billion which was again more than one-half of their total borrowing. Some switching between bank loans and the commercial paper market and bankers' acceptances was noticed, especially late in the year when bank prime rates came very close to money market yields. Nevertheless, the volume of funds raised in the short-term money market was \$2.7 billion which was almost double the amount raised in the previous year.

In 1980 net new bond issues in Canada by the non-financial business sector were \$1.5 billion higher than in the previous year. Much of the increased activity in the bond market took place in the third quarter when the general level of interest rates was somewhat lower. The non-financial business sector also raised \$5 billion in equity markets which was related to the brisk activity and rising stock market prices that characterized this market during the past few years.

Securities Market

Total net sales of all forms of marketable securities are shown in Table 7.4 to have risen from \$26.9 billion in 1979 to \$32.6 billion in 1980. Virtually all of the rise was the result of increased recourse to the short-term money market where the amount of borrowing almost doubled. Nevertheless, the Canadian bond market continued to provide substantial amounts of funds to Canadian borrowers. The timing of the announcement and placement of issues into this market over the past 18 months became increasingly important as interest rates moved so quickly. As in previous

Table 7.3
Private Non-Financial Business Borrowing⁽¹⁾

	1977	1978	1979	1980
	(net flows, \$ billions)			
Total	10.6	13.4	23.1	26.7
Short-term	3.7	4.3	14.4	15.1
Bank loans	2.3	2.6	10.7	9.7
Commercial paper and bankers' acceptances	-0.1	0.3	1.4	2.7
Other ⁽²⁾	1.4	1.4	2.2	2.7
Long-term	6.9	9.1	8.7	11.6
Bonds	2.0	1.6	0.5	2.0
Equities	2.7	4.8	5.3	5.0
Bank loans	1.3	1.4	1.4	2.7
Mortgages	0.5	1.3	0.9	1.4
Direct investment from abroad	0.5	0.1	0.7	0.5

⁽¹⁾ Data may not add due to rounding. Flows data for 1980 are estimates of the Department of Finance.

⁽²⁾ Includes commercial loans of sales finance companies, lending by financial institutions affiliated with foreign banks, and business loans from government.

Sources: *Bank of Canada Review*, monthly; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

Table 7.4
Supply of Securities and Distribution of Holdings^{(1) (2)}

	1977	1978	1979	1980
	(net flows, \$ billions)			
Supply of securities				
Money market instruments	3.2	5.3	5.9	10.7
Marketable bonds	12.9	13.6	14.2	15.2
Equities	3.0	7.9	6.3	6.8
Foreign securities	-0.2	—	0.6	-0.1
Total	18.9	26.8	26.9	32.6
(per cent of GNP)	(9.0)	(11.6)	(10.3)	(11.3)
Distribution of holdings				
Non-residents	5.6	5.0	4.6	6.5
Residents				
Bank of Canada	1.8	1.7	1.6	2.2
Chartered banks	3.6	7.2	—	-0.9
Near banks	1.3	1.2	1.3	3.0
Insurance and pension institutions	4.4	6.0	8.4	9.4
Other private financial institutions	0.8	1.3	0.7	1.6
Other residents	1.4	4.5	10.3	10.8
Total residents	13.3	21.8	22.3	26.1
(per cent of GNP)	(6.4)	(9.5)	(8.6)	(9.1)

⁽¹⁾ Data may not add due to rounding. Flows data for 1980 are estimates of the Department of Finance.

⁽²⁾ Excludes Canada Savings Bonds, purchases of provincial direct and guaranteed securities by the Canada Pension Plan and the Quebec Deposit and Investment Fund and the government sector holdings of its own securities.

Sources: *Bank of Canada Review*, monthly; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

years, the federal government was a major participant in the bond market raising \$7.2 billion while the provincial governments were also important borrowers and raised \$4.2 billion.

Equity markets in Canada continued to show strong gains in virtually all areas and advanced to record levels in 1980. The dollar value of shares traded on all stock exchanges during the year increased by more than 60 per cent to \$38.1 billion and in November the Toronto Stock Exchange Composite Index moved above 2400 for the first time. Canadian equity prices fell during the last weeks of the year under the strong influence of higher interest rates.

Mortgage Market

The low level of housing starts in 1980 slowed the rate of growth of residential mortgage loans outstanding from 16 per cent in 1979 to 10 per cent last year. As shown in Table 7.5, net mortgage investment by the major private financial institutions during 1980 amounted to only \$9.9 billion, off considerably from the \$13.5 billion increase recorded in the previous year. Virtually all lending institutions shared in this decline.

The high level of interest rates in 1980 also contributed to some slowing in the turnover in the resale housing market although several local housing markets remained quite active. Mortgage loan approvals on existing properties amounted to \$7.4 billion in 1980, down some \$1 billion from 1979. The volume of approvals and activity in the resale housing market in the third quarter was very high and may well have been related to generally lower mortgage rates at that time and perhaps to a concern that interest rates would rise even further.

Table 7.5
Mortgages⁽¹⁾

	1977	1978	1979	1980
	(net flows, \$ billions)			
Private lending				
Chartered banks	2.7	3.4	2.9	0.4
Trust and mortgage loan companies	4.0	4.1	5.6	5.4
Credit unions and caisses populaires	2.4	2.4	2.3	1.4
Insurance and pension institutions	2.5	2.2	2.3	2.3
Other private sector lenders ⁽²⁾	1.0	1.6	0.4	0.4
Sub-total	12.5	13.8	13.5	9.9
Government sector lending	1.1	0.4	0.2	1.0
Total ⁽³⁾	13.6	14.2	13.8	10.9

⁽¹⁾ Data may not add due to rounding. Data for 1980 are estimates of the Department of Finance.

⁽²⁾ Mutual funds, fire and casualty insurance companies, mortgage investment trust corporations, sales finance and consumer loan companies, Quebec savings banks, non-financial corporations and other private financial institutions.

⁽³⁾ Excludes mortgage lending by persons and unincorporated businesses.

Sources: *Bank of Canada Review*, monthly; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

In response to the high interest rates during the early part of 1980, several lending institutions introduced new, more flexible mortgage lending terms, to accommodate borrowers who were renewing their loans. Two such innovations were the six-month mortgage term and the interest-only mortgage. Response to these innovations was somewhat mixed and it appeared that most borrowers opted for renewal of standard mortgages, albeit with somewhat shorter maturities.

Consumer Credit Market

Consumer credit outstanding rose to \$43 billion in 1980 representing an increase of 11.5 per cent over the level of the previous year, which was somewhat faster than the rate of growth of current expenditures on consumer durables. The chartered banks continued to be active lenders and increased their share of the market. Although the trust and mortgage loan companies rank well down the list in importance in this market, they became important lenders during 1980 mainly due to the slowdown in mortgage lending activity and in anticipation of forthcoming changes in their governing legislation.

Financial Institutions

Reflecting the slowdown in economic activity during the year, the rate of growth of assets of the major Canadian private financial institutions was somewhat below that of previous years. Virtually all deposit-accepting institutions shared in this slowdown but it was most pronounced for the chartered banks and the credit unions and caisses populaires. The banking system grew at a much slower pace in 1980 while the trust and mortgage loan companies showed fairly steady growth, although a large part of the increase in 1980 was due to sales of mortgages by the banks to their associated mortgage loan companies. The rate of growth of total assets of the credit unions and caisses populaires is estimated to have dropped to 10 per cent in 1980, its lowest rate of growth in over 10 years.

Chartered Banks

The balance sheet of the banking system underwent some interesting developments in 1980 related to the movements in interest rates; one of the most significant was the movement of the key liquidity ratios of the banking system.

Canadian dollar liquid assets held by the chartered banks which are not required for cash and secondary reserve purposes are often referred to as "free" Canadian liquid assets. Table 7.7 shows that the chartered banks' holdings of "free"

Table 7.6

Loans to Persons⁽¹⁾

	1977	1978	1979	1980
	(net flows, \$ billions)			
Consumer credit				
Chartered banks	2.5	2.9	3.5	3.7
Other deposit-accepting institutions	0.7	1.3	1.1	0.9
Other lenders ⁽²⁾	—	0.4	0.3	-0.1
Total	3.3	4.6	4.9	4.4
Other loans to persons	—	0.2	0.2	0.6
Total loans to persons	3.3	4.8	5.1	5.0
(per cent change)	(11.8)	(15.3)	(14.1)	(12.1)
Per cent change in:				
Consumer expenditure	(10.4)	(10.5)	(11.2)	(11.2)
Consumer expenditure on durable goods	(8.1)	(9.0)	(12.7)	(7.2)

⁽¹⁾ Data may not add due to rounding. Flows data for 1980 are estimates of the Department of Finance.

⁽²⁾ Department stores, sales finance and consumer loan companies and life insurance companies.

Sources: *Bank of Canada Review*, monthly; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

Canadian liquid assets as a ratio of total assets have been falling fairly steadily in recent years. At the end of 1978 "free" Canadian liquid assets as a percentage of major assets stood at 6.2 per cent but by the end of 1979 they had slipped to 4.8 per cent. When interest rates began to increase sharply in early 1980, and credit demand did not slow down, the banks sold some of their liquid assets to help finance some of the growth in loans and by the end of June the "free" ratio had moved down to 3.3 per cent. The banks then moved aggressively to replenish their holdings of liquid assets.

A buildup in bank liquidity continued from June until October when interest rates again began to rise and loans also started to increase. Once again liquid assets were seen to be used as an offset item and liquidity in the banking system dropped below the previous record low, reaching 2.6 per cent by mid-December. However, in the final two weeks of the year the banks added over \$1.4 billion to their holdings of liquid assets which helped move the "free" ratio back up to 3.1 per cent.

Growth in total Canadian dollar assets of the chartered banks was 11 per cent in 1980 compared to 18 per cent in the previous year. Less liquid assets increased at a much lower rate in 1980 than in the previous year and accounted for all of the growth in assets of the banking system. Business loans rose somewhat less rapidly in 1980 while the growth in consumer lending was about in line with earlier years. The banks' holdings of corporate securities fell for the second consecutive year, in part reflecting the removal of the favourable tax treatment on income debentures and term preferred shares as well as an apparent preference of the banks to invest in short-term instruments in the volatile interest rate environment.

On the liabilities side, the chartered banks continued to experience rather strong inflows of personal savings deposits. The steady rate of inflow into personal savings deposits during 1980 was, in most cases, more than sufficient to finance the expansion of loans. However, towards the end of the year the banks did resort to the wholesale term deposit market to help finance the rather strong increase in general loans and liquid assets.

Table 7.7
Chartered Bank Asset Growth⁽¹⁾

	1977	1978	1979	1980
	(net flows, \$ billions)			
Canadian liquid assets	1.8	1.0	1.5	-0.5
Treasury bills	0.7	0.5	1.1	0.8
Other	1.1	0.4	0.4	-1.3
Less liquid assets	11.3	15.8	19.1	15.3
Ordinary personal loans	2.5	2.9	3.5	3.7
Mortgages	2.7	3.4	2.9	0.4
Business loans	3.1	3.1	10.4	10.5
Other bank loans	0.3	1.5	2.1	1.5
Corporate securities	1.3	3.7	-0.3	-0.6
Other assets	1.4	1.2	0.5	-0.1
Total Canadian dollar assets	13.1	16.8	20.6	14.8
Foreign currency loans to residents ⁽²⁾	1.0	2.3	1.1	3.0
Government of Canada ⁽²⁾	—	1.6	-1.3	0.4
Others ⁽²⁾	1.0	0.7	2.3	2.6
Foreign currency securities of residents ⁽²⁾	1.2	2.9	0.1	-0.3
Total lending to Canadians	15.3	22.0	21.8	17.5
Memo items:				
“Free” Canadian liquid assets (level)	6.9	6.6	6.0	4.3
Ratio of “free” Canadian liquid assets to total Canadian dollar major assets	7.5	6.2	4.8	3.1

⁽¹⁾ Data may not add due to rounding.

⁽²⁾ Foreign currency data are corrected to exclude the effect of changes in the exchange rate on the stock of the series.

Sources: *Bank of Canada Review*, monthly; and Department of Finance.

Other Financial Institutions

Total assets of the non-bank deposit accepting financial institutions are shown in Table 7.8 to have risen by \$11.8 billion in 1980, slightly above the increase of the previous year. Once again the major area of growth was mortgage loans but investment in this area was somewhat less than in 1979, mainly due to a slowdown in residential construction activity. In addition, there was some reduction in their share of the consumer credit market as they were able to commit only \$0.9 billion in loans to consumers.

After increasing at an average annual rate of growth of more than 20 per cent over the previous 10 years, the growth of assets of the credit unions and caisses populaires is estimated to have fallen to 10 per cent in 1980. The general slowdown in the demand for mortgages as well as a squeeze on interest rate margins contributed generally to the slower performance and less aggressive stance of the credit unions and caisses populaires.

Although growth in total assets of the trust and mortgage loan companies was 20 per cent in 1980, a significant part of this increase can be explained by sales of mortgages by the banks to their affiliated mortgage loan companies. During 1980, almost 90 per cent of the banks' new investment in mortgages was through their affiliates compared with just over one-third in the previous year. The transferring of mortgages by the banks to their affiliates was motivated by an effort to match more closely the term structure of assets and liabilities. This practice has become increasingly important in recent years especially at times when interest rates have

moved very quickly. The strong inflow in savings from persons into the industry was well above the demand for mortgages and the companies added significantly to their holdings of Canadian bonds.

Insurance companies and pension funds continued to experience a strong and steady demand for their instruments. Although these institutions also shared in the slowdown of the mortgage market they added some \$7.1 billion to their holdings of bonds and short-term paper as a result of the rather steady inflow of funds.

Table 7.8

Assets of Non-Bank Deposit-Accepting Institutions^{(1) (2)}

	1977	1978	1979	1980
	(net flows, \$ billions)			
Currency and deposits	0.5	0.4	—	0.3
Consumer credit	0.7	1.2	1.1	0.9
Other loans	—	0.2	0.6	0.6
Mortgages	6.5	6.6	8.0	6.8
Canadian marketable securities	1.3	1.2	1.3	3.0
Other assets	0.1	0.5	0.1	0.2
Total assets	9.2	10.0	11.1	11.8
(per cent change)	(20.7)	(18.8)	(17.5)	(15.8)
Deposits	8.3	9.0	9.5	10.4
(per cent change)	(21.1)	(19.0)	(16.8)	(15.8)

⁽¹⁾ Data may not add due to rounding. Data for 1980 are estimates of the Department of Finance.

⁽²⁾ Trust and mortgage loan companies, credit unions and caisses populaires, and Quebec savings banks.

Sources: *Bank of Canada Review*, monthly; and Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002.

Table 7.9

Assets of Insurance and Pension Institutions^{(1) (2)}

	1977	1978	1979	1980
	(net flows, \$ billions)			
Changes in assets				
Currency and deposits	0.3	0.3	0.5	0.5
Loans	0.1	0.2	0.2	0.4
Mortgages	2.5	2.2	2.3	2.3
Bonds and short-term paper	4.1	5.3	7.0	7.1
Equities	0.3	0.5	0.8	1.8
Other assets	0.2	0.6	0.5	0.9
Total	7.5	9.0	11.3	13.0
(per cent change)	(15.2)	(15.9)	(17.2)	(17.0)

⁽¹⁾ Data may not add due to rounding. Data for 1980 are estimates of the Department of Finance.

⁽²⁾ Includes life insurance companies and trustee pension plans.

Sources: Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

Reference Tables

Note: Data in these tables were the latest available at the time of printing. Statistics are revised, and users are requested to consult the sources for the most up-to-date figures.

Where available, CANSIM identification numbers (D for Statistics Canada and B for Bank of Canada) have been given at the heads of columns to assist readers who have access to machine-readable data and to provide a more detailed cross reference to publications. Where two numbers are given, the top number represents unadjusted data and the bottom number represents seasonally adjusted data.

Population	Page
1 Demographic Developments	106
2 Population by Province.....	107
National Accounts	
3 Gross National Expenditure	109
4 Gross National Expenditure in Constant 1971 Dollars	111
5 Structural Changes in Demand (Per Cent Distribution of Gross National Expenditure by Components)	113
6 Structural Changes in Demand (Per Cent Distribution of Gross National Expenditure in Constant 1971 Dollars).....	114
7 National Income and Gross National Product	115
8 Reconciliation of Gross National Product at Market Prices and Gross Domestic Product at Factor Cost	117
9 Structural Changes in Income (Per Cent Distribution of Gross National Product by Components)	119
10 Structural Changes in Income (Per Cent Distribution of Net National Income by Components)	120
11 Indexes of Real Income.....	121
12 Personal Income and Expenditure	123
13 Personal Income, Canada and by Province.....	124
14 Personal Income Per Capita, Canada and by Province	126
15 Personal Expenditure Per Capita, Canada and by Province	128
Components of Expenditures	
16 Value of Retail Trade	130
17 Private and Public Investment in Canada.....	131
18 Private and Public Investment in Canada.....	133
19 Private and Public Investment by Region.....	135
20 Private Investment Capital Expenditures Excluding Housing	136
21 Dwelling Starts, Completions and Under Construction	137
22 Dwelling Starts and Completions, by Type	138
23 Manufacturers' Inventories, Shipments and Orders	139
Real Output	
24 Indexes of Real Domestic Product by Industry	140
25 Changes in the Indexes of Real Domestic Product by Industry	142
26 Indexes of Real Domestic Product by Major Industrial Grouping	144
Labour Force	
27 Main Components of the Labour Market	146
28 Participation and Unemployment Rates by Sex and Age Groups	147

29	Participation Rates, Canada and by Region	148
30	Labour Force, Canada and by Region	149
31	Employment, Canada and by Region	150
32	Estimates of Employees by Industry	151
33	Unemployment, Canada and by Region	152
34	Unemployed Persons by Family Status, Canada	153
35	Family Units with One or More Unemployed Persons by the Number of Employed Persons in the Family Unit, Canada	154
36	Help-Wanted Index, Canada and Regions	155

Productivity and Costs

37	Productivity and Costs: Commercial Non-Agricultural Industries	156
38	Productivity and Costs: Commercial Non-Agricultural Goods-Producing Industries	157
39	Productivity and Costs: Commercial Services-Producing Industries	158
40	Productivity and Costs: Manufacturing Industries	159
41	Average Weekly Wages and Salaries by Industrial Division	160
42	Annual Average Wage Changes Provided by Major Collective Agreements (without COLA)	161

Price Indexes

43	Gross National Expenditure Implicit Price Indexes	162
44	Consumer Price Indexes: Standard Classifications	164
45	Consumer Price Indexes: Reclassified by Goods and Services	165
46	Energy Prices	166
47	Other Prices Indexes	167

Government Revenues, Expenditures and Debt

48	An International Comparison of Total Government and Central Govern- ment Total Expenditures as Percentages of Gross Domestic or Gross National Product	168
49	Total Government Revenues	169
50	Total Government Expenditures	170
51	Federal Government Revenues	171
52	Federal Government Expenditures	172
53	Federal Government Expenditure by Envelope	173
54	Federal Government Debt	174
55	Actual and Cyclically Adjusted Budget Balances, Federal and Consolidated Government Sectors	175
56	Provincial Government Revenues	176
57	Provincial Government Expenditures	177
58	Gross Provincial Expenditure	178
59	Percentage Distribution of Gross Provincial Expenditure	179
60	Local Government Revenues	180
61	Local Government Expenditures	181
62	Hospital Revenues and Expenditures	182
63	Federal Government Liabilities and Assets: Financial Flow Accounts Basis	183
64	Provincial and Local Governments and Hospitals Liabilities and Assets: Financial Flow Accounts Basis	184
65	Government of Canada Financial Transactions	185
66	Government of Canada Liabilities and Assets, Public Accounts Presentation	189
67	Allocation of Revenues from Own Sources, by Levels of Government	190
68	Intergovernmental Transfers	191
69	Allocations of Revenues After Transfers, by Levels of Government	192
70	Allocation of Expenditures by Levels of Government, Before and After Transfer Payments	193

Balance of Payments

71	Summary of Balance of Payments	195
72	Bilateral Payments Balance with the United States	196
73	Bilateral Payments Balance with the Rest of the World	197
74	International Payments: Current Account	198

75	Merchandise Trade Detail: Exports	200
76	Merchandise Trade Detail: Imports	201
77	International Payments: Capital Movements	202
78	Net Proceeds from New Issues of Canadian Securities to Non-Residents	204
79	Canadian Chartered Banks' Head Office and Branches in Canada: Net Change in Foreign Currency Positions	206

International Reserves and Exchange Rates

80	Canada's Reserve Position with the International Monetary Fund	207
81	Canada's Official International Reserves	208
82	Price of Foreign Currencies in Canada	209
83	Indexes of Exchange Rates	210
84	Money Market and Eurodollar Rates.....	211

Government Bonds

85	Details of New Issues and Retirements of Government of Canada Direct and Guaranteed Marketable Bonds from January 1, 1980 to December 31, 1981	212
86	Changes in Marketable Securities and Canada Savings Bonds Outstanding	213

Mortgages

87	Mortgage Loan Approvals	214
88	Mortgage Loan Approvals by Private Lending Institutions	215

Financial Flows

89	Monetary Aggregates and Selected Banking System Statistics	216
90	Canadian Marketable Securities, Supply of Securities and Distribution of Holdings	217
91	Credit Expansion by Sector	218
92	Credit Expansion by Instrument	219
93	Chartered Banks	220
94	Other Deposit Accepting Institutions	221
95	Insurance Companies and Pension Funds	222
96	Other Private Financial Institutions	223
97	Non-Financial Corporations	224

Reference Table 1
Demographic Developments
1947 – 1980

Years	Population as of June	Birth rate	Death rate	Natural rate of increase	Immigration rate	Annual growth rate of population	Number of families	Net family formation
D	1							
	(Thousands of persons)		(Per thousand of population)			(Per cent)		(Thousands)
1947.....	12,888	28.9	9.4	19.5	5.0	2.1	n.a.	n.a.
1948.....	13,167	27.3	9.3	18.0	9.5	2.2	n.a.	n.a.
1949.....	13,447	27.3	9.3	18.0	7.1	2.1	n.a.	n.a.
1950.....	13,712	27.1	9.1	18.0	5.4	2.0	n.a.	n.a.
1951.....	14,009	27.2	9.0	18.2	14.0	2.2	3,282	n.a.
1952.....	14,459	27.9	8.7	19.2	11.5	3.2	3,360	78
1953.....	14,845	28.1	8.6	19.5	11.5	2.7	3,423	63
1954.....	15,287	28.5	8.2	20.3	10.2	3.0	3,537	114
1955.....	15,698	28.2	8.2	20.0	7.1	2.7	3,625	88
1956.....	16,081	28.0	8.2	19.8	10.4	2.4	3,705	81
1957.....	16,610	28.2	8.2	20.0	17.2	3.3	3,796	90
1958.....	17,080	27.8	8.0	19.8	7.4	2.8	3,898	102
1959.....	17,483	27.7	8.1	19.6	6.2	2.4	3,982	84
1960.....	17,870	27.0	7.9	19.1	5.9	2.2	4,081	99
1961.....	18,238	26.3	7.8	18.5	4.0	2.1	4,140	59
1962.....	18,583	25.5	7.8	17.7	4.1	1.9	4,189	49
1963.....	18,931	24.8	7.8	16.8	5.0	1.9	4,258	69
1964.....	19,290	23.7	7.6	16.1	5.9	1.9	4,341	83
1965.....	19,644	21.5	7.6	13.9	7.5	1.8	4,432	91
1966.....	20,015	19.5	7.6	11.9	9.8	1.9	4,518	86
1967.....	20,378	18.3	7.4	10.9	11.0	1.8	4,608	90
1968.....	20,701	17.7	7.4	10.3	8.9	1.6	4,696	88
1969.....	21,001	17.7	7.4	10.3	7.7	1.4	4,807	110
1970.....	21,297	17.5	7.3	10.2	7.0	1.4	4,908	101
1971.....	21,569	16.8	7.3	9.5	5.7	1.3	5,060	152
1972.....	21,801	15.9	7.5	8.4	5.6	1.1	5,168	108
1973.....	22,043	15.6	7.4	8.2	8.4	1.1	5,299	131
1974.....	22,364	15.5	7.5	8.0	9.8	1.5	5,443	144
1975.....	22,697	15.8	7.4	8.4	8.3	1.5	5,587	144
1976.....	22,993	15.6	7.3	8.3	6.5	1.3	5,715	127
1977.....	23,258	15.6	7.3	8.3	4.9	1.2	5,810	96
1978.....	23,483	15.2	7.1	8.1	3.6	1.0	5,893	83
1979.....	23,671	15.0	7.1	7.9	4.7	0.8	n.a.	n.a.
1980.....	23,914	n.a.	n.a.	n.a.	6.0	1.0	n.a.	n.a.

Source: Statistics Canada, *Vital Statistics*, annual, cat. 84-201 and monthly, cat. 84-001; Statistics Canada, *Estimates of Families in Canada*, cat. 91-204; and Department of Employment and Immigration.

Reference Table 2
Population by Province⁽¹⁾
1951 – 1980

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.
D	15	16	17	18	19	20	21	22	23	24	25 + 26
(Thousands)											
1951.....	361	98	643	516	4,056	4,598	777	832	940	1,165	25
1952.....	374	100	653	526	4,174	4,788	798	843	973	1,205	25
1953.....	383	101	663	533	4,269	4,941	809	861	1,012	1,248	25
1954.....	395	101	673	540	4,388	5,115	823	873	1,057	1,295	27
1955.....	406	100	683	547	4,517	5,266	839	878	1,091	1,342	29
1956.....	415	99	695	555	4,628	5,405	850	881	1,123	1,399	32
1957.....	424	99	701	562	4,769	5,636	862	880	1,164	1,482	31
1958.....	432	100	709	571	4,904	5,821	875	891	1,206	1,538	33
1959.....	441	101	719	582	5,024	5,969	891	907	1,248	1,567	34
1960.....	448	103	727	589	5,142	6,111	906	915	1,291	1,602	36
1961.....	458	105	737	598	5,259	6,236	922	925	1,332	1,629	38
1962.....	468	107	746	605	5,371	6,351	936	930	1,369	1,660	40
1963.....	476	108	751	609	5,481	6,481	949	933	1,403	1,699	41
1964.....	483	109	755	611	5,584	6,631	959	942	1,430	1,745	42
1965.....	488	109	756	615	5,685	6,788	965	950	1,450	1,797	41
1966.....	493	109	756	617	5,781	6,961	963	955	1,463	1,874	43
1967.....	499	109	760	620	5,864	7,127	963	957	1,490	1,945	44
1968.....	506	110	767	625	5,928	7,262	971	960	1,524	2,003	45
1969.....	514	111	775	628	5,985	7,385	979	958	1,559	2,060	47
1970.....	517	110	782	627	6,013	7,551	983	941	1,595	2,128	50
1971.....	522	112	789	635	6,028	7,703	988	926	1,628	2,185	53
1972.....	530	113	795	640	6,054	7,810	991	914	1,657	2,241	57
1973.....	537	114	804	647	6,079	7,909	996	905	1,690	2,302	60
1974.....	541	115	812	654	6,123	8,054	1,008	900	1,722	2,376	60
1975.....	549	117	820	665	6,179	8,172	1,014	907	1,778	2,433	63
1976.....	558	118	829	677	6,235	8,265	1,022	921	1,838	2,467	64
1977.....	564	120	835	687	6,276	8,355	1,029	937	1,896	2,494	64
1978.....	569	122	841	695	6,273	8,444	1,034	948	1,954	2,530	65
1979.....	574	123	848	701	6,284	8,503	1,032	959	2,012	2,570	65
1980.....	580	124	852	707	6,303	8,570	1,028	969	2,078	2,636	64
(Per cent change)											
1951.....	3.0	2.5	0.7	0.7	2.2	2.8	1.1	-0.2	2.9	2.5	4.6
1952.....	3.5	1.6	1.6	2.0	2.9	4.1	2.8	1.4	3.6	3.4	-0.4
1953.....	2.4	1.0	1.5	1.3	2.3	3.2	1.4	2.1	4.0	3.6	0.0
1954.....	3.1	0.0	1.5	1.3	2.8	3.5	1.7	1.4	4.4	3.8	8.0
1955.....	2.8	-1.0	1.5	1.3	2.9	3.0	1.9	0.6	3.2	3.6	7.4
1956.....	2.2	-0.7	1.7	1.4	2.5	2.6	1.3	0.3	2.9	4.2	8.6
1957.....	2.1	-0.3	0.9	1.3	3.0	4.3	1.4	-0.8	3.6	6.0	-1.6
1958.....	1.9	1.0	1.1	1.6	2.8	3.3	1.5	1.3	3.6	3.8	6.5
1959.....	2.1	1.0	1.4	1.9	2.4	2.5	1.8	1.8	3.5	1.9	3.0
1960.....	1.6	2.0	1.1	1.2	2.3	2.4	1.7	0.9	3.4	2.2	5.9
1961.....	2.2	1.6	1.4	1.5	2.3	2.0	1.7	1.1	3.2	1.7	4.4
1962.....	2.2	2.3	1.2	1.2	2.1	1.8	1.6	0.5	2.8	1.9	6.5
1963.....	1.7	0.9	0.7	0.7	2.0	2.0	1.4	0.3	2.5	2.3	2.5
1964.....	1.5	0.9	0.5	0.3	1.9	2.3	1.1	1.0	1.9	2.7	2.4
1965.....	1.0	0.0	0.1	0.7	1.8	2.4	0.6	0.8	1.4	3.0	-2.4
1966.....	1.1	-0.5	0.0	0.3	1.7	2.5	-0.2	0.6	0.9	4.3	5.1
1967.....	1.1	0.5	0.5	0.5	1.4	2.4	-0.1	0.2	1.8	3.8	2.1
1968.....	1.4	0.9	0.9	0.8	1.1	1.9	0.8	0.3	2.3	3.0	2.3
1969.....	1.6	0.9	1.0	0.5	1.0	1.7	0.8	-0.2	2.3	2.8	4.4
1970.....	0.6	-0.9	0.9	-0.2	0.5	2.2	0.4	-1.8	2.3	3.3	6.4
1971.....	1.0	1.5	0.9	1.2	0.2	2.0	0.5	-1.6	2.1	2.7	6.4
1972.....	1.5	0.9	0.7	0.9	0.4	1.4	0.3	-1.3	1.8	2.6	6.8
1973.....	1.4	1.2	1.2	1.1	0.4	1.3	0.5	-1.0	1.9	2.7	5.5
1974.....	0.8	1.1	0.9	1.0	0.7	1.8	1.1	-0.5	1.9	3.2	0.3
1975.....	1.4	1.6	1.0	1.8	0.9	1.5	0.6	0.9	3.2	2.4	4.0
1976.....	1.6	0.9	1.1	1.8	0.9	1.1	0.8	1.5	3.4	1.4	3.0
1977.....	1.1	1.7	0.8	1.4	0.7	1.1	0.7	1.7	3.2	1.1	0.0
1978.....	0.9	1.6	0.8	1.1	-0.5	1.1	0.4	1.2	3.0	1.5	1.4
1979.....	0.9	0.7	0.7	0.9	0.2	0.7	-0.1	1.1	3.0	1.6	-0.3
1980.....	1.1	1.1	0.6	0.9	0.3	0.8	-0.4	1.1	3.3	2.6	-1.1

Reference Table 2 (continued)
Population by Province⁽¹⁾
1951 – 1980

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.
(Percentage distribution of total among provinces)											
1951	2.6	0.7	4.6	3.7	28.9	32.8	5.5	5.9	6.7	8.3	0.2
1952	2.6	0.7	4.5	3.6	28.9	33.1	5.5	5.8	6.7	8.3	0.2
1953	2.6	0.7	4.5	3.6	28.8	33.3	5.4	5.8	6.8	8.4	0.2
1954	2.6	0.7	4.4	3.5	28.7	33.5	5.4	5.7	6.9	8.5	0.2
1955	2.6	0.6	4.4	3.5	28.8	33.5	5.3	5.6	6.9	8.5	0.2
1956	2.6	0.6	4.3	3.4	28.8	33.6	5.3	5.5	7.0	8.7	0.2
1957	2.6	0.6	4.2	3.4	28.7	33.9	5.2	5.3	7.0	8.9	0.2
1958	2.5	0.6	4.2	3.3	28.7	34.1	5.1	5.2	7.1	9.0	0.2
1959	2.5	0.6	4.1	3.3	28.7	34.1	5.1	5.2	7.1	9.0	0.2
1960	2.5	0.6	4.1	3.3	28.8	34.2	5.1	5.1	7.2	9.0	0.2
1961	2.5	0.6	4.0	3.3	28.8	34.2	5.1	5.1	7.3	8.9	0.2
1962	2.5	0.6	4.0	3.3	28.9	34.2	5.0	5.0	7.4	8.9	0.2
1963	2.5	0.6	4.0	3.2	29.0	34.2	5.0	4.9	7.4	9.0	0.2
1964	2.5	0.6	3.9	3.2	28.9	34.4	5.0	4.9	7.4	9.0	0.2
1965	2.5	0.6	3.8	3.1	28.9	34.6	4.9	4.8	7.4	9.1	0.2
1966	2.5	0.5	3.8	3.1	28.9	34.8	4.8	4.8	7.3	9.4	0.2
1967	2.4	0.5	3.7	3.0	28.8	35.0	4.7	4.7	7.3	9.5	0.2
1968	2.4	0.5	3.7	3.0	28.6	35.1	4.7	4.6	7.4	9.7	0.2
1969	2.4	0.5	3.7	3.0	28.5	35.2	4.7	4.6	7.4	9.8	0.2
1970	2.4	0.5	3.7	2.9	28.2	35.5	4.6	4.4	7.5	10.0	0.2
1971	2.4	0.5	3.7	2.9	27.9	35.7	4.6	4.3	7.5	10.1	0.2
1972	2.4	0.5	3.6	2.9	27.8	35.8	4.5	4.2	7.6	10.3	0.3
1973	2.4	0.5	3.6	2.9	27.6	35.9	4.5	4.1	7.7	10.4	0.3
1974	2.4	0.5	3.6	2.9	27.4	36.0	4.5	4.0	7.7	10.6	0.3
1975	2.4	0.5	3.6	2.9	27.2	36.0	4.5	4.0	7.8	10.7	0.3
1976	2.4	0.5	3.6	2.9	27.1	35.9	4.4	4.0	8.0	10.7	0.3
1977	2.4	0.5	3.6	3.0	27.0	35.9	4.4	4.0	8.2	10.7	0.3
1978	2.4	0.5	3.6	3.0	26.7	36.0	4.4	4.0	8.3	10.8	0.3
1979	2.4	0.5	3.6	3.0	26.5	35.9	4.4	4.1	8.5	10.9	0.3
1980	2.4	0.5	3.6	3.0	26.4	35.8	4.3	4.1	8.7	11.0	0.3

⁽¹⁾Population as of June.

Source: Statistics Canada, *Annual Estimates of Population for Canada and Provinces at June 1st*, annual, cat. 91-201.

Reference Table 3
Gross National Expenditure
1947 – 1980

Years	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Value of physical change in inventories	Exports of goods and services	Imports of goods and services	Residual error of estimate	Gross national expenditure at market prices	
			Total	Government	Business	Housing						
D	40014 40254	40015 40255	40016 40256	40017 40257			40022 40262	40025 40265	40029 40269	40030 40270	40031 40271	40548 40551
(Millions of dollars)												
1947.....	9,362	1,343	2,350	304	1,591	455	343	3,661	-3,601	15		13,473
1948.....	10,370	1,454	3,057	424	1,974	659	97	3,055	-3,630	106		15,509
1949.....	11,365	1,722	3,439	456	2,188	795	78	4,004	-3,853	45		16,800
1950.....	12,482	1,928	3,862	521	2,388	953	549	4,158	-4,492	4		18,491
1951.....	13,857	2,811	4,424	640	2,950	834	871	5,052	-5,580	205		21,640
1952.....	15,162	3,620	5,096	779	3,371	946	499	5,568	-5,369	12		24,588
1953.....	16,181	3,824	5,733	782	3,699	1,252	600	5,380	-5,806	-79		25,833
1954.....	16,934	3,825	5,714	873	3,429	1,412	-202	5,137	-5,543	53		25,918
1955.....	18,388	4,036	6,422	948	3,689	1,785	285	5,749	-6,390	38		28,528
1956.....	20,090	4,426	8,000	1,144	5,031	1,825	985	6,350	-7,664	-129		32,058
1957.....	21,492	4,573	8,689	1,327	5,693	1,669	170	6,379	-7,767	-23		33,513
1958.....	22,845	4,854	8,535	1,397	5,049	2,089	-296	6,329	-7,321	-169		34,777
1959.....	24,390	4,976	8,647	1,508	5,009	2,133	414	6,674	-8,028	-227		36,846
1960.....	25,479	5,281	8,473	1,560	5,119	1,794	409	7,004	-8,092	-195		38,359
1961.....	25,930	6,206	8,392	1,674	4,929	1,789	116	7,624	-8,480	-142		39,646
1962.....	27,452	6,608	8,885	1,903	5,128	1,854	667	8,234	-9,045	126		42,927
1963.....	29,225	6,982	9,556	1,985	5,612	1,959	669	9,068	-9,561	39		45,978
1964.....	31,389	7,593	11,205	2,023	6,800	2,382	553	10,503	-10,913	-50		50,280
1965.....	33,947	8,358	13,179	2,440	8,105	2,634	1,244	11,182	-12,341	-205		55,364
1966.....	36,890	9,748	15,361	2,841	9,915	2,605	1,225	13,045	-14,259	-182		61,828
1967.....	39,972	11,153	15,628	2,954	9,865	2,809	260	14,663	-15,234	-33		66,409
1968.....	43,704	12,684	15,754	2,983	9,518	3,253	745	16,719	-17,010	-10		72,586
1969.....	47,492	14,241	17,232	3,055	10,332	3,845	1,467	18,761	-19,821	443		79,815
1970.....	50,327	16,630	18,015	3,173	11,342	3,500	105	21,167	-20,214	-345		85,685
1971.....	55,616	18,368	20,800	3,754	12,230	4,816	392	22,181	-22,016	-891		94,450
1972.....	62,208	20,291	23,051	3,968	13,263	5,820	544	24,580	-25,250	-190		105,234
1973.....	71,278	23,037	27,848	4,305	16,156	7,387	1,588	30,718	-30,954	45		123,560
1974.....	83,388	27,816	34,260	5,462	20,022	8,776	3,451	38,992	-41,009	630		147,528
1975.....	96,995	33,380	40,044	6,323	24,489	9,232	-239	40,452	-45,589	300		165,343
1976.....	110,886	38,325	44,895	6,318	26,256	12,321	1,563	45,601	-49,973	-266		191,031
1977.....	122,471	43,398	48,193	6,790	28,597	12,806	360	52,548	-57,262	-902		208,806
1978.....	135,359	47,492	52,214	7,140	31,598	13,476	222	62,753	-67,842	-500		229,698
1979.....	150,489	51,215	59,730	7,739	37,984	14,007	4,444	76,624	-82,384	187		260,305
1980.....	167,309	57,389	67,553	8,434	45,286	13,833	-966	89,602	-92,386	-365		288,136

Reference Table 3 (continued)
Gross National Expenditure
1947 – 1980

Years	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Exports of goods and services	Imports of goods and services	Gross national expenditure at market prices
			Total	Government	Business	Housing			
(Per cent change)									
1947	16.8	− 18.9	39.7	28.3	54.6	9.4	11.6	25.9	13.4
1948	10.8	8.3	30.1	39.5	24.1	44.8	10.8	0.8	15.1
1949	9.6	18.4	12.5	7.5	10.8	20.3	− 1.3	6.1	8.3
1950	9.8	12.0	12.3	14.3	9.1	19.9	3.8	16.6	10.1
1951	11.0	45.8	14.6	22.8	23.5	− 12.5	21.5	24.2	17.0
1952	9.4	28.8	15.2	21.7	14.3	13.4	10.2	3.8	13.6
1953	6.7	5.6	12.5	0.4	9.7	32.3	− 3.4	8.1	5.1
1954	4.7	0.0	− 0.3	11.6	− 7.3	12.8	− 4.5	4.5	0.3
1955	8.6	5.5	12.4	8.6	7.6	26.4	11.9	15.3	10.1
1956	9.3	9.7	24.6	20.7	36.4	2.2	10.5	19.9	12.4
1957	7.0	3.3	8.6	16.0	13.2	− 8.5	0.5	1.3	4.5
1958	6.3	6.1	− 1.8	5.3	− 11.3	25.2	− 0.8	5.7	3.8
1959	6.8	2.5	1.3	7.9	− 0.9	2.1	5.5	9.7	5.9
1960	4.5	6.1	− 2.0	3.4	2.3	− 15.9	4.9	0.8	4.1
1961	1.8	17.5	− 1.0	7.3	− 3.7	− 0.3	8.9	4.8	3.4
1962	5.9	6.5	5.9	13.7	4.0	3.6	8.0	6.7	8.3
1963	6.5	5.7	7.6	4.3	9.4	5.7	10.1	5.7	7.1
1964	7.4	8.8	17.3	1.9	21.2	21.6	15.8	14.1	9.4
1965	8.1	10.1	17.6	20.6	19.2	10.6	6.5	13.1	10.1
1966	8.7	16.6	16.6	16.4	22.3	− 1.1	16.7	15.5	11.7
1967	8.4	14.4	1.7	4.0	− 0.5	7.8	12.4	6.8	7.4
1968	9.3	13.7	0.8	1.0	− 3.5	15.8	14.0	11.7	9.3
1969	8.7	12.3	9.4	2.4	8.6	18.2	12.2	16.5	10.0
1970	6.0	16.8	4.5	3.9	9.8	− 9	12.8	2.0	7.4
1971	10.5	10.5	15.5	18.3	7.8	37.6	4.8	8.9	10.2
1972	11.9	10.5	10.8	5.7	8.4	20.8	10.8	14.7	11.4
1973	14.6	13.5	20.8	8.5	21.8	26.9	25.0	22.6	17.4
1974	17.0	20.7	23.0	26.9	23.9	18.8	26.9	32.5	19.4
1975	16.3	20.0	16.9	15.8	22.3	5.2	3.7	11.2	12.1
1976	14.3	14.8	12.1	− 0.1	7.2	33.5	12.7	9.6	15.5
1977	10.4	13.2	7.3	7.5	8.9	3.9	15.2	14.6	9.3
1978	10.5	9.4	8.3	5.2	10.5	5.2	19.4	18.5	10.0
1979	11.2	7.8	14.4	8.4	20.2	3.9	22.1	21.4	13.3
1980	11.2	12.1	13.1	9.0	19.2	− 1.2	16.9	12.1	10.7

Source: Statistics Canada, *National Income and Expenditure Accounts*, annual, cat. 13-531, and quarterly, cat. 13-001.

Reference Table 4
Gross National Expenditure in Constant 1971 Dollars
1947 – 1980

Years	C	G	Gross fixed capital formation				Value of physical change in inventories	X	M	Residual error of estimate	Gross national expenditure in constant 1971 dollars
	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	I	Government	Business	Housing		Exports of goods and services	Imports of goods and services		
			Total								
D	40562 40594	40568 40600	40569 40601	40570 40602		40576 40608	40581 40613	40586 40618	40588 40620	40540 40622	40561 40593
(Millions of dollars)											
1947.....	18,546	4,747	5,316	627	3,604	1,085	672	6,170	-6,411	39	29,496
1948.....	18,099	4,504	6,103	779	3,982	1,342	109	6,375	-5,781	211	30,231
1949.....	19,138	4,982	6,553	806	4,195	1,552	215	5,997	-5,939	83	31,388
1950.....	20,394	5,367	7,042	884	4,385	1,773	789	5,956	-6,469	10	33,762
1951.....	20,546	7,000	7,068	915	4,807	1,346	1,025	6,513	-7,277	333	35,450
1952.....	21,984	8,624	7,892	1,090	5,303	1,499	481	7,260	-7,527	20	38,617
1953.....	23,512	8,890	8,861	1,162	5,732	1,967	752	7,185	-8,151	-124	40,605
1954.....	24,375	8,549	8,858	1,296	5,325	2,237	-238	6,917	-7,761	86	40,106
1955.....	26,456	8,736	9,678	1,308	5,594	2,776	410	7,442	-8,799	61	43,891
1956.....	28,440	8,956	11,446	1,425	7,227	2,794	1,144	8,002	-10,215	-187	47,599
1957.....	29,504	8,807	12,262	1,751	8,026	2,485	249	8,075	-10,096	-31	48,718
1958.....	30,562	9,074	12,126	1,942	7,064	3,120	-280	8,047	-9,386	-239	49,844
1959.....	32,264	8,999	12,191	2,090	6,911	3,190	468	8,360	-10,357	-317	51,737
1960.....	33,392	9,218	11,790	2,142	7,017	2,631	523	8,717	-10,347	-271	53,231
1961.....	33,761	10,494	11,748	2,378	6,768	2,602	251	9,374	-10,559	-196	54,741
1962.....	35,272	10,911	12,278	2,664	6,910	2,704	756	9,744	-10,769	175	58,475
1963.....	36,992	11,070	12,841	2,682	7,365	2,794	764	10,631	-11,125	54	61,487
1964.....	39,218	11,637	14,549	2,652	8,633	3,264	655	12,058	-12,595	-64	65,610
1965.....	41,606	12,253	16,259	3,003	9,843	3,413	1,441	12,606	-14,140	-256	69,981
1966.....	43,778	13,388	18,015	3,307	11,540	3,168	1,385	14,315	-15,989	-215	74,844
1967.....	45,863	14,343	17,942	3,403	11,310	3,229	253	15,770	-16,805	-31	77,344
1968.....	48,138	15,429	17,964	3,430	10,832	3,702	771	17,727	-18,284	-6	81,864
1969.....	50,353	15,993	18,850	3,350	11,325	4,175	1,518	19,462	-20,727	491	86,225
1970.....	51,526	17,650	18,904	3,329	11,857	3,718	84	21,223	-20,588	-341	88,390
1971.....	55,616	18,368	20,800	3,754	12,230	4,816	392	22,181	-22,016	-891	94,450
1972.....	59,841	18,930	21,955	3,772	12,751	5,432	515	23,655	-24,489	-159	100,248
1973.....	63,879	19,795	24,384	3,751	14,667	5,966	1,346	26,156	-27,824	76	107,812
1974.....	67,160	20,584	25,694	3,957	15,802	5,935	2,642	25,620	-30,538	516	111,678
1975.....	70,645	21,399	26,661	4,127	17,031	5,503	-252	23,993	-29,684	243	113,005
1976.....	75,251	21,689	27,397	3,860	16,973	6,564	988	26,225	-32,166	-135	119,249
1977.....	77,346	22,424	27,250	3,860	17,161	6,229	118	28,045	-32,844	-516	121,823
1978.....	79,628	22,631	27,314	3,780	17,543	5,991	166	30,817	-34,298	-263	125,995
1979.....	81,140	22,404	28,488	3,748	19,196	5,544	1,984	31,622	-36,319	120	129,439
1980.....	81,618	22,545	29,639	3,798	20,840	5,001	-733	31,951	-35,295	-132	129,593

Reference Table 4 (continued)

Gross National Expenditure in Constant 1971 Dollars
1948 – 1980

Years	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Exports of goods and services	Imports of goods and services	Gross national expenditure in constant 1971 dollars
			Total	Government	Business	Housing			
(Per cent change)									
1948	-2.4	-5.1	14.8	24.2	10.5	23.7	3.3	9.8	2.5
1949	5.7	10.6	7.4	3.5	5.3	15.6	-5.9	2.7	3.8
1950	6.6	7.7	7.5	9.7	4.5	14.2	-0.7	8.9	7.6
1951	0.7	30.4	0.4	3.5	9.6	-24.1	9.4	12.5	5.0
1952	7.0	23.2	11.7	19.1	10.3	11.4	11.5	3.4	8.9
1953	7.0	3.1	12.3	6.6	8.1	31.2	-1.0	8.3	5.1
1954	3.7	-3.8	0.0	11.5	-7.1	13.7	-3.7	4.8	-1.2
1955	8.5	2.2	9.3	0.9	5.1	24.1	7.6	13.4	9.4
1956	7.5	2.5	18.3	8.9	29.2	0.6	7.5	16.1	8.4
1957	3.7	-1.7	7.1	22.9	11.1	-11.1	0.9	1.2	2.4
1958	3.6	3.0	-1.1	10.9	-12.0	25.6	-0.3	7.0	2.3
1959	5.6	-0.8	0.5	7.6	-2.2	2.2	3.9	10.3	3.8
1960	3.5	2.4	-3.3	2.5	1.5	-17.5	4.3	0.1	2.9
1961	1.1	13.8	-0.4	11.0	-3.5	-1.1	7.5	2.0	2.8
1962	4.5	4.0	4.5	12.0	2.1	3.9	3.9	2.0	6.8
1963	4.9	1.5	4.6	0.7	6.6	3.3	9.1	3.3	5.2
1964	6.0	5.1	13.3	-1.1	17.2	16.8	13.4	13.2	6.7
1965	6.1	5.3	11.8	13.2	14.0	4.6	4.5	12.3	6.7
1966	5.2	9.3	10.8	10.1	17.2	-7.2	13.6	13.1	6.9
1967	4.8	7.1	-0.4	2.9	-2.0	1.9	10.2	5.1	3.3
1968	5.0	7.6	0.1	0.8	-4.2	14.6	12.4	8.8	5.8
1969	4.6	3.7	4.9	-2.3	4.6	12.8	9.8	13.4	5.3
1970	2.3	10.4	0.3	-0.6	4.7	-10.9	9.0	0.7	2.5
1971	7.9	4.1	10.0	12.8	3.1	29.5	4.5	6.9	6.9
1972	7.6	3.1	5.6	0.5	4.3	12.8	6.6	11.2	6.1
1973	6.7	4.6	11.1	-0.6	15.0	9.8	10.6	13.6	7.5
1974	5.1	4.0	5.4	5.5	7.7	-0.5	-2.0	9.8	3.6
1975	5.2	4.0	3.8	4.3	7.8	-7.3	-6.4	-2.8	1.2
1976	6.5	1.4	2.8	-6.5	-0.3	19.3	9.3	8.4	5.5
1977	2.8	3.4	-0.5	0.0	1.1	-5.1	6.9	2.1	2.2
1978	3.0	0.9	0.2	-2.1	2.2	-3.8	9.9	4.4	3.4
1979	1.9	-1.0	4.3	-0.8	9.4	-7.5	2.6	5.9	2.7
1980	0.6	0.6	4.0	1.3	8.6	-9.8	1.0	-2.8	0.1

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 5
Structural Changes in Demand
(Per Cent Distribution of Gross National Expenditure by Components)
1947 – 1980

Years	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Value of physical change in inventories	Exports of goods and services	Imports of goods and services	Residual error of estimate	Gross national expenditure at market prices
			Total	Government	Business	Housing					
1947.....	69.5	10.0	17.4	2.3	11.8	3.4	2.5	27.2	-26.7	0.1	100.0
1948.....	66.9	9.4	19.7	2.7	12.7	4.2	0.6	26.1	-23.4	0.7	100.0
1949.....	67.6	10.2	20.5	2.7	13.0	4.7	0.5	23.8	-22.9	0.3	100.0
1950.....	67.5	10.4	20.9	2.8	12.9	5.2	3.0	22.5	-24.3	0.0	100.0
1951.....	64.0	13.0	20.4	3.0	13.6	3.9	4.0	23.3	-25.8	0.9	100.0
1952.....	61.7	14.7	20.7	3.2	13.7	3.8	2.0	22.6	-21.8	0.0	100.0
1953.....	62.6	14.8	22.2	3.0	14.3	4.8	2.3	20.8	-22.5	-0.3	100.0
1954.....	65.3	14.8	22.0	3.4	13.2	5.4	-0.8	19.8	-21.4	0.2	100.0
1955.....	64.5	14.1	22.5	3.3	12.9	6.3	1.0	20.2	-22.4	0.1	100.0
1956.....	62.7	13.8	25.0	3.6	15.7	5.7	3.1	19.8	-23.9	-0.4	100.0
1957.....	64.1	13.6	25.9	4.0	17.0	5.0	0.5	19.0	-23.2	-0.1	100.0
1958.....	65.7	14.0	24.5	4.0	14.5	6.0	-0.9	18.2	-21.1	-0.5	100.0
1959.....	66.2	13.5	23.5	4.1	13.6	5.8	1.1	18.1	-21.8	-0.6	100.0
1960.....	66.4	13.8	22.1	4.1	13.3	4.7	1.1	18.3	-21.1	-0.5	100.0
1961.....	65.4	15.7	21.2	4.2	12.4	4.5	0.3	19.2	-21.4	-0.4	100.0
1962.....	64.0	15.4	20.7	4.4	11.9	4.3	1.6	19.2	-21.1	0.3	100.0
1963.....	63.6	15.2	20.8	4.3	12.2	4.3	1.5	19.7	-20.8	0.1	100.0
1964.....	62.4	15.1	22.3	4.0	13.5	4.7	1.1	20.9	-21.7	-0.1	100.0
1965.....	61.3	15.1	23.8	4.4	14.6	4.8	2.2	20.2	-22.3	-0.4	100.0
1966.....	59.7	15.8	24.8	4.6	16.0	4.2	2.0	21.1	-23.1	-0.3	100.0
1967.....	60.2	16.8	23.5	4.4	14.9	4.2	0.4	22.1	-22.9	0.0	100.0
1968.....	60.2	17.5	21.7	4.1	13.1	4.5	1.0	23.0	-23.4	0.0	100.0
1969.....	59.5	17.8	21.6	3.8	12.9	4.8	1.8	23.5	-24.8	0.6	100.0
1970.....	58.7	19.4	21.0	3.7	13.2	4.1	0.1	24.7	-23.6	-0.4	100.0
1971.....	58.9	19.4	22.0	4.0	12.9	5.1	0.4	23.5	-23.3	-0.9	100.0
1972.....	59.1	19.3	21.9	3.8	12.6	5.5	0.5	23.4	-24.0	-0.2	100.0
1973.....	57.7	18.6	22.5	3.5	13.1	6.0	1.3	24.9	-25.1	0.0	100.0
1974.....	56.5	18.9	23.2	3.7	13.6	5.9	2.3	26.4	-27.8	0.4	100.0
1975.....	58.7	20.2	24.2	3.8	14.8	5.6	-0.1	24.5	-27.6	0.2	100.0
1976.....	58.0	20.1	23.5	3.3	13.7	6.4	0.8	23.9	-26.2	-0.1	100.0
1977.....	58.7	20.8	23.1	3.3	13.7	6.1	0.2	25.2	-27.4	-0.4	100.0
1978.....	58.9	20.7	22.7	3.1	13.8	5.9	0.1	27.3	-29.5	-0.2	100.0
1979.....	57.8	19.7	22.9	3.0	14.6	5.4	1.7	29.4	-31.6	0.1	100.0
1980.....	58.1	19.9	23.4	2.9	15.7	4.8	-0.3	31.1	-32.1	-0.1	100.0

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 6
Structural Changes in Demand
(Per Cent Distribution of Gross National Expenditure
in Constant 1971 Dollars by Components)
1947 – 1980

Years	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Value of physical change in inventories	Exports of goods and services	Imports of goods and services	Residual error of estimate	Gross national expenditure in constant 1971 dollars
			Total	Government	Business	Housing					
1947.....	62.9	16.1	18.0	2.1	12.2	3.7	2.3	20.9	-21.7	0.1	100.0
1948.....	59.9	14.9	20.2	2.6	13.2	4.4	0.4	21.1	-19.1	0.7	100.0
1949.....	61.0	15.9	20.9	2.6	13.4	4.9	0.7	19.1	-18.9	0.3	100.0
1950.....	60.4	15.9	20.9	2.6	13.0	5.3	2.3	17.6	-19.2	0.0	100.0
1951.....	58.0	19.7	19.0	2.6	13.6	3.8	2.9	18.4	-20.5	0.9	100.0
1952.....	56.9	22.3	20.4	2.8	13.7	3.9	1.2	18.8	-19.5	0.1	100.0
1953.....	57.9	21.9	21.8	2.9	14.1	4.8	1.9	17.7	-20.1	-0.3	100.0
1954.....	60.8	21.3	22.1	3.2	13.3	5.6	-0.6	17.2	-19.4	0.2	100.0
1955.....	60.3	19.9	22.1	3.0	12.7	6.3	0.9	17.0	-20.0	0.1	100.0
1956.....	59.7	18.8	24.0	3.0	15.2	5.9	2.4	16.8	-21.5	-0.4	100.0
1957.....	60.6	18.1	25.2	3.6	16.5	5.1	0.5	16.6	-20.7	-0.1	100.0
1958.....	61.3	18.2	24.3	3.9	14.2	6.3	-0.6	16.1	-18.8	-0.5	100.0
1959.....	62.4	17.4	23.6	4.0	13.4	6.2	0.9	16.2	-20.0	-0.6	100.0
1960.....	62.7	17.3	22.1	4.0	13.2	4.9	1.0	16.4	-19.4	-0.5	100.0
1961.....	61.7	19.2	21.5	4.3	12.4	4.8	0.5	17.1	-19.3	-0.4	100.0
1962.....	60.3	18.7	21.0	4.6	11.8	4.6	1.3	16.7	-18.4	0.3	100.0
1963.....	60.2	18.0	20.9	4.4	12.0	4.5	1.2	17.3	-18.1	0.1	100.0
1964.....	59.8	17.7	22.2	4.0	13.2	5.0	1.0	18.4	-19.2	-0.1	100.0
1965.....	59.5	17.5	23.2	4.3	14.1	4.9	2.1	18.0	-20.2	-0.4	100.0
1966.....	58.5	17.9	24.1	4.4	15.4	4.2	1.9	19.1	-21.4	-0.3	100.0
1967.....	59.3	18.5	23.2	4.4	14.6	4.2	0.3	20.4	-21.7	0.0	100.0
1968.....	58.8	18.8	21.9	4.2	13.2	4.5	0.9	21.7	-22.3	0.0	100.0
1969.....	58.4	18.5	21.9	3.9	13.1	4.8	1.8	22.6	-24.0	0.6	100.0
1970.....	58.3	20.0	21.4	3.8	13.4	4.2	0.1	24.0	-23.3	-0.4	100.0
1971.....	58.9	19.4	22.0	4.0	12.9	5.1	0.4	23.5	-23.3	-0.9	100.0
1972.....	59.7	18.9	21.9	3.8	12.7	5.4	0.5	23.6	-24.4	-0.2	100.0
1973.....	59.3	18.4	22.6	3.5	13.6	5.5	1.2	24.3	-25.8	0.1	100.0
1974.....	60.1	18.4	23.0	3.5	14.1	5.3	2.4	22.9	-27.3	0.5	100.0
1975.....	62.5	18.9	23.6	3.7	15.1	4.9	-0.2	21.2	-26.3	0.2	100.0
1976.....	63.1	18.2	23.0	3.2	14.2	5.5	0.8	22.0	-27.0	-0.1	100.0
1977.....	63.5	18.4	22.3	3.2	14.1	5.1	0.1	23.0	-27.0	-0.4	100.0
1978.....	63.2	18.0	21.7	3.0	13.9	4.8	0.1	24.5	-27.2	-0.2	100.0
1979.....	62.7	17.3	22.0	2.9	14.8	4.3	1.5	24.4	-28.1	0.1	100.0
1980.....	63.0	17.4	22.9	2.9	16.1	3.9	-0.6	24.7	-27.2	-0.1	100.0

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 7
National Income and Gross National Product
1950 – 1980

Years	Wages, salaries and supple- mentary labour income ⁽¹⁾	Corpo- ration profits before taxes	Dividends paid to non-resi- dents	Interest and miscel- laneous invest- ment income	Accrued net income of farm opera- tors from farm produc- tion	Net income of non- farm unincor- porated business includ- ing rents	Inven- tory valua- tion adjust- ment	Net national income at factor cost	Indirect taxes less subsidies	Capital consump- tion allow- ances and miscel- laneous valuation adjust- ments	Residual error of estimate	Gross national product at market prices
D		40002 40242	40003 40243	40004 40244	40005 40245	40006 40246	40007 40247	40008 40248	40009 40249	40010 40250	40011 40251	40548 40551
(Millions of dollars)												
1950	9,152	2,608	-412	396	1,301	1,882	-374	14,553	2,065	1,876	-3	18,491
1951	10,770	3,144	-379	463	1,868	1,976	-643	17,199	2,548	2,098	-205	21,640
1952	12,073	3,071	-346	523	1,878	2,155	114	19,468	2,799	2,333	-12	24,588
1953	13,062	2,985	-328	583	1,462	2,359	2	20,125	2,994	2,634	80	25,833
1954	13,451	2,755	-339	628	918	2,498	87	19,998	3,042	2,930	-52	25,918
1955	14,369	3,485	-396	764	1,120	2,748	-182	21,908	3,321	3,337	-38	28,528
1956	16,171	3,928	-450	869	1,283	2,827	-245	24,383	3,731	3,814	130	32,058
1957	17,519	3,554	-505	977	908	2,962	-59	25,356	3,975	4,159	23	33,513
1958	17,982	3,669	-486	1,063	1,116	3,133	-41	26,436	4,036	4,135	170	34,777
1959	19,149	3,996	-527	1,062	1,008	3,207	-108	27,757	4,401	4,461	227	36,846
1960	20,141	3,870	-495	1,129	1,026	3,192	-26	28,837	4,587	4,739	196	38,359
1961	21,009	4,066	-622	1,284	826	3,261	-41	29,783	4,838	4,833	142	39,646
1962	22,468	4,450	-621	1,416	1,377	3,380	-100	32,370	5,446	5,236	-125	42,927
1963	23,932	4,932	-652	1,563	1,562	3,576	-213	34,700	5,714	5,603	-39	45,978
1964	26,034	5,841	-787	1,724	1,307	3,705	-144	37,680	6,441	6,108	51	50,280
1965	28,878	6,318	-828	1,891	1,389	3,893	-322	41,219	7,284	6,655	206	55,364
1966	32,629	6,714	-850	2,070	1,950	4,116	-335	46,294	8,030	7,322	182	61,828
1967	36,160	6,823	-874	2,362	1,239	4,355	-327	49,738	8,852	7,786	33	66,409
1968	39,318	7,742	-835	2,623	1,321	4,778	-341	54,606	9,662	8,308	10	72,586
1969	43,949	8,294	-854	3,082	1,435	5,187	-576	60,517	10,722	9,019	-443	79,815
1970	47,620	7,699	-952	3,428	1,211	5,424	-195	64,235	11,299	9,806	345	85,685
1971	52,436	8,681	-1,079	3,906	1,576	5,928	-665	70,783	12,276	10,500	891	94,450
1972	58,549	10,799	-1,031	4,577	1,662	6,170	-1,032	79,694	13,876	11,474	190	105,234
1973	67,849	15,417	-1,277	5,359	3,009	6,656	-2,362	94,651	15,598	13,355	-44	123,560
1974	81,289	20,062	-1,645	7,632	3,859	6,901	-4,244	113,854	18,257	16,046	-629	147,528
1975	94,625	19,663	-1,835	8,661	3,944	7,669	-2,938	129,789	17,584	18,270	-300	165,343
1976	109,375	19,985	-1,719	11,175	3,317	8,438	-2,064	148,507	21,520	20,738	266	191,031
1977	120,491	21,090	-2,094	12,987	2,867	8,998	-3,397	160,942	23,905	23,056	903	208,806
1978	131,308	25,360	-2,617	15,502	3,441	9,559	-4,430	178,123	26,003	25,072	500	229,698
1979	145,896	34,338	-2,885	18,890	4,354	10,387	-6,664	204,316	28,230	27,946	-187	260,305
1980	162,359	37,287	-3,182	21,986	4,693	11,184	-6,829	227,498	29,471	30,802	365	288,136

Reference Table 7 (continued)
National Income and Gross National Product
1950 – 1980

Years	Wages, salaries and supplementary labour income ⁽¹⁾	Corporation profits before taxes	Dividends paid to non-residents	Interest and miscellaneous investment income	Accrued net income of farm operators from farm production	Net income of non-farm unincorporated business including rents	Net national income at factor cost	Indirect taxes less subsidies	Capital consumption allowances and miscellaneous valuation adjustments	Gross national product at market prices
(Per cent change)										
1950.....	8.0	29.8	26.4	36.1	7.4	6.1	9.2	10.0	14.1	10.1
1951.....	17.7	20.6	8.0	16.9	43.6	5.0	18.2	23.4	11.8	17.0
1952.....	12.1	-2.3	8.7	13.0	0.5	9.1	13.2	9.9	11.2	13.6
1953.....	8.2	-2.8	5.2	11.5	-22.2	9.5	3.4	7.0	12.9	5.1
1954.....	3.0	-7.7	3.4	7.7	-37.2	5.9	-0.6	1.6	11.2	0.3
1955.....	6.8	26.5	16.8	21.7	22.0	10.0	9.6	9.2	13.9	10.1
1956.....	12.5	12.7	13.6	13.7	14.6	2.9	11.3	12.3	14.3	12.4
1957.....	8.3	-9.5	12.2	12.4	-29.2	4.8	4.0	6.5	9.0	4.5
1958.....	2.6	3.2	3.8	8.8	22.9	5.8	4.3	1.5	-0.6	3.8
1959.....	6.5	8.1	8.4	-0.1	-9.7	2.4	5.0	9.0	7.9	5.9
1960.....	5.2	-2.4	6.1	6.3	1.8	-0.5	3.9	4.2	6.2	4.1
1961.....	4.3	5.1	25.7	13.7	-19.5	2.2	3.3	5.5	3.0	3.4
1962.....	6.9	9.4	0.2	10.3	66.7	3.6	8.7	12.6	7.2	8.3
1963.....	6.5	10.8	5.0	10.4	13.4	5.8	7.2	4.9	7.0	7.1
1964.....	8.8	18.4	20.7	10.3	-16.3	3.6	8.6	12.7	9.0	9.4
1965.....	10.9	8.2	5.2	9.7	6.3	5.1	9.4	13.1	9.0	10.1
1966.....	13.0	6.3	2.7	9.5	40.4	5.7	12.3	10.2	10.0	11.7
1967.....	10.8	1.6	2.8	14.1	-36.5	5.8	7.4	10.2	6.3	7.4
1968.....	8.7	13.5	-4.5	11.0	6.6	9.7	9.8	9.2	6.7	9.3
1969.....	11.8	7.1	2.3	17.5	8.6	8.6	10.8	11.0	8.6	10.0
1970.....	8.4	-7.2	11.5	11.2	-15.6	4.6	6.1	5.4	8.7	7.4
1971.....	10.1	12.8	13.3	13.9	30.1	9.3	10.2	8.6	7.1	10.2
1972.....	11.7	24.4	4.4	17.2	5.5	4.1	12.6	13.0	9.3	11.4
1973.....	15.9	42.8	23.9	17.1	81.0	7.9	18.8	12.4	16.4	17.4
1974.....	19.8	30.1	28.8	42.4	28.2	3.7	20.3	17.0	20.1	19.4
1975.....	16.4	-2.0	11.6	13.5	2.2	11.1	14.0	-3.7	13.9	12.1
1976.....	15.7	1.6	-6.3	29.0	-15.9	10.0	14.4	22.4	13.5	15.5
1977.....	10.2	5.5	21.8	16.2	-13.6	6.6	8.4	11.1	11.2	9.3
1978.....	9.0	20.2	25.0	19.4	20.0	6.2	10.7	8.8	8.7	10.0
1979.....	11.1	35.4	10.2	21.9	26.5	8.7	14.7	8.6	11.5	13.3
1980.....	11.3	8.6	10.3	16.4	7.8	7.7	11.3	4.4	10.2	10.7

⁽¹⁾ Includes military pay and allowances. Unadjusted: D 40000 + 40001; seasonally adjusted: D 40240 + 40241.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 8
Reconciliation of Gross National Product at Market Prices and
Gross Domestic Product at Factor Cost
1953 – 1980

Years	Gross national product at market prices			Residual error of estimate	Indirect taxes less subsidies	Invest- ment income from non-resi- dents	Investment income paid to non-residents	Gross domestic product at factor cost		
	Price	Volume	Value					Price	Volume	Value
D	40625	40593	40551	40431	40432	40433	40434			40435
	(1971= 100)	(\$1971 millions)	(\$ millions)		(Millions of dollars)			(1971= 100)	(\$1971 millions)	(\$ millions)
1953.....	63.6	40,605	25,833	- 80	- 2,994	- 194	495	64.0	36,024	23,060
1954.....	64.6	40,106	25,918	52	- 3,042	- 181	520	65.6	35,463	23,267
1955.....	65.0	43,891	28,528	38	- 3,321	- 201	586	65.6	39,093	25,630
1956.....	67.4	47,599	32,058	- 130	- 3,731	- 196	657	67.4	42,544	28,658
1957.....	68.8	48,718	33,513	- 23	- 3,975	- 208	771	70.3	42,782	30,078
1958.....	69.8	49,844	34,777	- 170	- 4,036	- 238	763	71.5	43,475	31,096
1959.....	71.2	51,737	36,846	- 227	- 4,401	- 251	860	71.9	45,672	32,827
1960.....	72.1	53,231	38,359	- 196	- 4,587	- 254	870	73.3	46,627	34,192
1961.....	72.4	54,741	39,646	- 142	- 4,838	- 300	1,022	74.1	47,750	35,388
1962.....	73.4	58,475	42,927	125	- 5,446	- 297	1,068	75.1	51,105	38,377
1963.....	74.8	61,487	45,978	39	- 5,714	- 314	1,161	76.3	53,899	41,150
1964.....	76.6	65,610	50,280	51	- 6,441	- 443	1,351	77.6	57,612	44,696
1965.....	79.1	69,981	55,364	- 206	- 7,284	- 465	1,485	79.1	61,780	48,894
1966.....	82.6	74,844	61,828	- 182	- 8,030	- 486	1,634	83.0	65,983	54,764
1967.....	85.9	77,344	66,409	- 33	- 8,852	- 464	1,733	86.1	68,323	58,793
1968.....	88.7	81,864	72,586	- 10	- 9,662	- 590	1,841	89.0	72,096	64,165
1969.....	92.6	86,225	79,815	443	- 10,722	- 857	2,099	92.4	76,574	70,778
1970.....	96.9	88,390	85,685	- 345	- 11,299	- 1,011	2,397	96.4	78,281	75,427
1971.....	100.0	94,450	94,450	- 891	- 12,276	- 953	2,537	100.0	82,867	82,867
1972.....	105.0	100,248	105,234	- 190	- 13,876	- 977	2,528	106.0	87,425	92,719
1973.....	114.6	107,812	123,560	44	- 15,598	- 1,188	3,012	116.5	94,137	109,830
1974.....	132.1	111,678	147,528	629	- 18,257	- 1,386	3,741	134.0	98,612	132,255
1975.....	146.3	113,005	165,343	300	- 17,584	- 1,671	4,338	151.8	99,275	150,726
1976.....	160.2	119,249	191,031	- 226	- 21,520	- 1,601	4,940	165.1	104,557	172,584
1977.....	171.4	121,823	208,806	- 902	- 23,905	- 1,696	6,248	175.4	107,499	188,550
1978.....	182.3	125,995	229,698	- 500	- 26,003	- 2,239	7,924	187.7	111,249	208,880
1979.....	201.1	129,439	260,305	187	- 28,230	- 2,245	9,639	208.7	114,812	239,656
1980.....	222.3	129,593	288,136	- 365	- 29,471	- 2,989	11,300	231.6	115,102	266,611

Reference Table 8 (continued)
Reconciliation of Gross National Product at Market Prices and
Gross Domestic Product at Factor Cost
1953 – 1980

Years	Gross national product at market prices			Indirect taxes less subsidies	Invest- ment income received from non-resi- dents	Investment income paid to non-residents	Gross domestic product at factor cost		
	Price	Volume	Value				Price	Volume	Value
	(Per cent change)								
1953	-0.1	5.1	5.1	7.0	6.0	-2.4	0.2	4.0	4.2
1954	1.6	-1.2	0.3	1.6	-6.7	5.1	2.5	-1.6	0.9
1955	0.6	9.4	10.1	9.2	11.0	12.7	-0.1	10.2	10.2
1956	3.6	8.4	12.4	12.3	-2.5	12.1	2.7	8.8	11.8
1957	2.1	2.4	4.5	6.5	6.1	17.4	4.4	0.6	5.0
1958	1.4	2.3	3.8	1.5	14.4	-1.0	1.7	1.6	3.4
1959	2.1	3.8	5.9	9.0	5.5	12.7	0.5	5.1	5.6
1960	1.2	2.9	4.1	4.2	1.2	1.2	2.0	2.1	4.2
1961	0.5	2.8	3.4	5.5	18.1	17.5	1.1	2.4	3.5
1962	1.4	6.8	8.3	12.6	-1.0	4.5	1.3	7.0	8.4
1963	1.9	5.2	7.1	4.9	5.7	8.7	1.7	5.5	7.2
1964	2.5	6.7	9.4	12.7	41.1	16.4	1.6	6.9	8.6
1965	3.2	6.7	10.1	13.1	5.0	9.9	2.0	7.2	9.4
1966	4.4	6.9	11.7	10.2	4.5	10.0	4.9	6.8	12.0
1967	3.9	3.3	7.4	10.2	-4.5	6.1	3.7	3.5	7.4
1968	3.3	5.8	9.3	9.2	27.2	6.2	3.4	5.5	9.1
1969	4.4	5.3	10.0	11.0	45.2	14.0	3.9	6.2	10.3
1970	4.7	2.5	7.4	5.4	18.0	14.2	4.2	2.2	6.6
1971	3.2	6.9	10.2	8.6	-5.7	5.8	3.8	5.9	9.9
1972	5.0	6.1	11.4	13.0	2.5	-0.4	6.0	5.6	11.9
1973	9.2	7.5	17.4	12.4	21.6	19.1	9.9	7.8	18.5
1974	15.3	3.6	19.4	17.0	16.7	24.2	15.0	4.7	20.4
1975	10.8	1.2	12.1	-3.7	20.6	16.0	13.2	0.7	14.0
1976	9.5	5.5	15.5	22.4	-4.2	13.9	8.7	5.3	14.5
1977	7.0	2.2	9.3	11.1	5.9	26.5	6.3	2.8	9.3
1978	6.4	3.4	10.0	8.8	32.0	26.8	7.0	3.5	10.8
1979	10.3	2.7	13.3	8.6	0.3	21.6	11.3	3.2	14.7
1980	10.5	0.1	10.7	4.4	33.1	17.2	11.0	0.3	11.2

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 9
Structural Changes in Income
(Per Cent Distribution of Gross National Product by Components)
1947 – 1980

Years	Wages, salaries and supplementary labour income ⁽¹⁾	Corporation profits before taxes	Dividends paid to non-residents	Interest and miscellaneous investment income	Accrued net income of farm operators from farm production	Net income of non-farm unincorporated business including rents	Inventory valuation adjustment	Net national income at factor cost	Indirect taxes less subsidies	Capital consumption allowances and miscellaneous valuation adjustments	Residual error of estimate	Gross national product at market prices
1947.....	50.1	13.8	-1.9	1.4	8.2	11.2	-4.2	78.5	12.5	9.1	-0.1	100.0
1948.....	50.6	13.2	-1.7	1.6	8.8	10.3	-3.3	79.5	11.8	9.3	-0.7	100.0
1949.....	50.5	12.0	-1.9	1.7	7.2	10.6	-0.7	79.3	11.2	9.8	-0.3	100.0
1950.....	49.5	14.1	-2.2	2.1	7.0	10.2	-2.0	78.7	11.2	10.1	0.0	100.0
1951.....	49.8	14.5	-1.8	2.1	8.6	9.1	-3.0	79.5	11.8	9.7	-0.9	100.0
1952.....	49.1	12.5	-1.4	2.1	7.6	8.8	0.5	79.2	11.4	9.5	0.0	100.0
1953.....	50.6	11.6	-1.3	2.3	5.7	9.1	0.0	77.9	11.6	10.2	0.3	100.0
1954.....	51.9	10.6	-1.3	2.4	3.5	9.6	0.3	77.2	11.7	11.3	-0.2	100.0
1955.....	50.4	12.2	-1.4	2.7	3.9	9.6	-0.6	76.8	11.6	11.7	-0.1	100.0
1956.....	50.4	12.3	-1.4	2.7	4.0	8.8	-0.8	76.1	11.6	11.9	0.4	100.0
1957.....	52.3	10.6	-1.5	2.9	2.7	8.8	-0.2	75.7	11.9	12.4	0.1	100.0
1958.....	51.7	10.6	-1.4	3.1	3.2	9.0	-0.1	76.0	11.6	11.9	0.5	100.0
1959.....	52.0	10.8	-1.4	2.9	2.7	8.7	-0.3	75.3	11.9	12.1	0.6	100.0
1960.....	52.5	10.1	-1.3	2.9	2.7	8.3	-0.1	75.2	12.0	12.4	0.5	100.0
1961.....	53.0	10.3	-1.6	3.2	2.1	8.2	-0.1	75.1	12.2	12.3	0.4	100.0
1962.....	52.3	10.4	-1.4	3.3	3.2	7.9	-0.2	75.4	12.7	12.2	-0.3	100.0
1963.....	52.1	10.7	-1.4	3.4	3.4	7.8	-0.5	75.5	12.4	12.2	-0.1	100.0
1964.....	51.8	11.6	1.6	3.4	2.6	7.4	-0.3	74.9	12.8	12.1	0.1	100.0
1965.....	52.2	11.4	-1.5	3.4	2.5	7.0	-0.6	74.5	13.2	12.0	0.4	100.0
1966.....	52.8	10.9	-1.4	3.3	3.2	6.7	-0.5	74.9	13.0	11.8	0.3	100.0
1967.....	54.5	10.3	-1.3	3.6	1.9	6.6	-0.5	74.9	13.3	11.7	0.0	100.0
1968.....	54.2	10.7	-1.2	3.6	1.8	6.6	-0.5	75.2	13.3	11.4	0.0	100.0
1969.....	55.1	10.4	-1.1	3.9	1.8	6.5	-0.7	75.8	13.4	11.3	-0.6	100.0
1970.....	55.6	9.0	-1.1	4.0	1.4	6.3	-0.2	75.0	13.2	11.4	0.4	100.0
1971.....	55.5	9.2	-1.1	4.1	1.7	6.3	-0.7	74.9	13.0	11.1	0.9	100.0
1972.....	55.6	10.3	-1.0	4.3	1.6	5.9	-1.0	75.7	13.2	10.9	0.2	100.0
1973.....	54.9	12.5	-1.0	4.3	2.4	5.4	-1.9	76.6	12.6	10.8	0.0	100.0
1974.....	55.1	13.6	-1.1	5.2	2.6	4.7	-2.9	77.2	12.4	10.9	-0.4	100.0
1975.....	57.2	11.9	-1.1	5.2	2.4	4.6	-1.8	78.5	10.6	11.0	-0.2	100.0
1976.....	57.2	10.5	-0.9	5.8	1.7	4.4	-1.1	77.7	11.2	10.9	0.1	100.0
1977.....	57.7	10.1	-1.0	6.2	1.4	4.3	-1.6	77.1	11.4	11.0	0.4	100.0
1978.....	57.2	11.0	-1.1	6.7	1.5	4.2	-1.9	77.5	11.3	10.9	0.2	100.0
1979.....	56.1	13.2	-1.1	7.2	1.7	4.0	-2.6	78.5	10.9	10.7	-0.1	100.0
1980.....	56.3	12.9	-1.1	7.6	1.6	3.9	-2.3	79.0	10.2	10.7	0.1	100.0

⁽¹⁾ See note 1 on reference table 7.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 10
Structural Changes in Income
(Per Cent Distribution of Net National Income by Components)
1947 – 1980

Years	Wages, salaries and supple- mentary labour income ⁽¹⁾	Corpo- ration profits before taxes	Dividends paid to non-resi- dents	Interest and miscel- laneous invest- ment income	Accrued net income of farm opera- tors from farm produc- tion	Net income of non- farm unincor- porated busi- ness includ- ing rents	Inven- tory valua- tion adjust- ment	Net national income at factor cost
1947.....	63.8	17.5	-2.4	1.8	10.4	14.2	-5.4	100.0
1948.....	63.6	16.5	-2.1	2.0	11.0	13.0	-4.1	100.0
1949.....	63.6	15.1	-2.4	2.2	9.1	13.3	-0.8	100.0
1950.....	62.9	17.9	-2.8	2.7	8.9	12.9	-2.6	100.0
1951.....	62.6	18.3	-2.2	2.7	10.9	11.5	-3.7	100.0
1952.....	62.0	15.8	-1.8	2.7	9.6	11.1	0.6	100.0
1953.....	64.9	14.8	-1.6	2.9	7.3	11.7	0.0	100.0
1954.....	67.3	13.8	-1.7	3.1	4.6	12.5	0.4	100.0
1955.....	65.6	15.9	-1.8	3.5	5.1	12.5	-0.8	100.0
1956.....	66.3	16.1	-1.8	3.6	5.3	11.6	-1.0	100.0
1957.....	69.1	14.0	-2.0	3.9	3.6	11.7	-0.2	100.0
1958.....	68.0	13.9	-1.8	4.0	4.2	11.9	-0.2	100.0
1959.....	69.0	14.3	-1.9	3.8	3.6	11.6	-0.4	100.0
1960.....	69.8	13.4	-1.7	3.9	3.6	11.1	-0.1	100.0
1961.....	70.5	13.7	-2.1	4.3	2.8	10.9	-0.1	100.0
1962.....	69.4	13.7	-1.9	4.4	4.3	10.4	-0.3	100.0
1963.....	69.0	14.2	-1.9	4.5	4.5	10.3	-0.6	100.0
1964.....	69.1	15.5	-2.1	4.6	3.5	9.8	-0.4	100.0
1965.....	70.1	15.3	-2.0	4.6	3.4	9.4	-0.8	100.0
1966.....	70.5	14.5	-1.8	4.5	4.2	8.9	-0.7	100.0
1967.....	72.7	13.7	-1.8	4.7	2.5	8.8	-0.7	100.0
1968.....	72.0	14.2	-1.5	4.8	2.4	8.7	-0.6	100.0
1969.....	72.6	13.7	-1.4	5.1	2.4	8.6	-1.0	100.0
1970.....	74.1	12.0	-1.5	5.3	1.9	8.4	-0.3	100.0
1971.....	74.1	12.3	-1.5	5.5	2.2	8.4	-0.9	100.0
1972.....	73.5	13.6	-1.3	5.7	2.1	7.7	-1.3	100.0
1973.....	71.7	16.3	-1.3	5.7	3.2	7.0	-2.5	100.0
1974.....	71.4	17.6	-1.4	6.7	3.4	6.1	-3.7	100.0
1975.....	72.9	15.1	-1.4	6.7	3.0	5.9	-2.3	100.0
1976.....	73.6	13.5	-1.2	7.5	2.2	5.7	-1.4	100.0
1977.....	74.9	13.1	-1.3	8.1	1.8	5.6	-2.1	100.0
1978.....	73.7	14.2	-1.5	8.7	1.9	5.4	-2.5	100.0
1979.....	71.4	16.8	-1.4	9.2	2.1	5.1	-3.3	100.0
1980.....	71.4	16.4	-1.4	9.7	2.1	4.9	-3.0	100.0

⁽¹⁾ See note 1 on reference table 7.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 11
Indexes of Real Income
1947 – 1980
(1971 = 100)

Years	Real net national income			Real personal income			Real personal disposable income			Real wages and salaries and supplementary income and military pay		Real average weekly wages and salaries
	Per capita	Per household	Per employee	Per capita	Per household	Per employee	Per capita	Per household	Per employee	Per paid employee	Per employee ⁽¹⁾	
1947	50.9	59.5	49.1	50.2	58.7	48.4	56.6	66.2	54.6	54.7	—	—
1948	51.1	58.8	50.0	49.9	57.4	48.7	56.6	65.1	55.3	54.4	—	—
1949	51.2	59.1	51.7	49.1	56.8	49.6	56.2	64.9	56.7	55.5	—	—
1950	52.8	60.5	54.1	49.5	56.6	50.6	57.0	65.2	58.3	56.8	—	—
1951	55.4	62.7	56.6	51.7	58.4	52.8	58.7	66.4	60.0	57.4	—	—
1952	59.5	67.1	61.8	54.3	61.2	56.4	61.1	68.9	63.4	60.6	—	—
1953	60.0	67.4	63.2	55.7	62.5	58.6	62.4	70.0	65.7	64.2	—	—
1954	57.4	64.3	62.1	54.1	60.5	58.5	60.6	67.8	65.5	65.4	—	—
1955	61.2	68.3	66.5	56.8	63.3	61.6	63.8	71.2	69.3	66.9	—	—
1956	65.4	72.6	69.9	60.3	67.0	64.4	67.5	74.9	72.1	69.7	—	—
1957	64.0	71.2	68.7	60.7	67.6	65.2	67.7	75.4	72.7	70.9	—	—
1958	63.1	70.4	70.1	60.8	67.8	67.5	65.8	76.4	76.1	70.5	—	—
1959	64.0	71.1	70.7	61.9	68.8	68.4	69.2	76.9	76.5	71.5	—	—
1960	64.5	71.3	71.7	63.2	69.9	70.3	70.1	77.6	78.0	72.9	—	—
1961	64.8	72.1	72.4	62.6	69.6	69.9	69.1	76.9	77.2	74.5	74.5	74.0
1962	68.2	75.4	75.5	66.0	72.9	73.1	73.0	80.7	80.9	75.9	75.3	75.2
1963	70.7	77.6	77.9	67.8	74.4	74.7	75.0	82.3	82.6	77.3	76.4	76.6
1964	74.4	81.0	80.5	70.3	76.6	76.1	77.0	83.9	83.4	79.6	78.3	78.5
1965	78.4	84.7	83.2	74.6	80.6	79.2	81.4	88.0	86.5	82.2	80.9	81.0
1966	83.6	89.8	86.8	79.6	85.4	82.6	85.1	91.4	88.4	84.9	84.1	83.0
1967	85.3	90.4	87.7	82.9	87.8	85.2	87.4	92.5	89.8	88.0	87.5	85.7
1968	88.5	92.4	90.7	86.2	90.0	88.3	89.6	93.5	91.8	89.2	89.3	87.9
1969	93.1	95.7	93.8	90.8	93.4	91.5	92.4	95.1	93.1	92.7	92.3	90.7
1970	94.1	95.3	95.1	93.3	94.4	94.2	93.4	94.6	94.4	95.3	95.2	94.3
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	107.1	105.2	105.2	107.6	105.6	105.6	108.1	106.1	106.1	103.5	103.4	104.3
1973	117.2	112.8	110.8	115.8	111.4	109.5	116.6	112.2	110.2	105.6	105.7	104.5
1974	124.9	118.0	115.0	122.5	115.7	112.8	122.5	115.7	112.8	109.0	108.3	104.2
1975	126.9	117.9	116.6	127.3	118.2	116.9	128.2	119.1	117.7	112.7	112.6	107.6
1976	133.5	121.6	121.7	133.5	121.5	121.6	133.3	121.3	121.5	119.0	119.2	112.4
1977	133.1	119.7	120.6	135.1	121.4	122.4	135.0	121.3	122.3	120.1	118.9	114.7
1978	136.0	120.0	120.3	137.5	121.3	121.6	138.7	122.4	122.7	118.4	118.4	113.4
1979	141.7	122.1	121.6	139.7	120.3	119.8	141.3	121.8	121.2	115.8	116.4	112.9
1980	141.4	119.2	119.2	140.2	118.1	118.2	141.1	119.0	119.0	112.9	114.2	112.5

Reference Table 11 (continued)
Indexes of Real Income
1947 – 1980

Years	Real net national income			Real personal income			Real personal disposable income			Real wages and salaries and supplementary income and military pay		Real average weekly wages and salaries
	Per capita	Per household	Per employee	Per capita	Per household	Per employee	Per capita	Per household	Per employee	Per paid employee	Per employee ⁽¹⁾	
	(Per cent change)											
1948 ..	0.5	-1.2	1.8	-0.6	-2.3	0.6	0.0	-1.6	1.3	-0.5	—	—
1949 ..	0.0	0.5	3.4	-1.5	-1.0	1.9	-0.8	-0.3	2.6	2.0	—	—
1950	3.3	2.3	4.6	0.7	-0.3	2.0	1.4	0.5	2.8	2.3	—	—
1951	4.9	3.6	4.6	4.5	3.2	4.2	3.1	1.9	2.9	1.0	—	—
1952	7.4	7.1	9.2	5.1	4.8	6.8	4.0	3.7	5.8	5.6	—	—
1953	0.8	0.4	2.3	2.6	2.1	4.0	2.1	1.6	3.6	6.0	—	—
1954	-4.4	-4.6	-1.7	-2.9	-3.2	-0.3	-3.0	-3.2	-0.3	1.8	—	—
1955	6.6	6.3	7.0	5.0	4.6	5.4	5.3	5.0	5.7	2.3	—	—
1956	6.8	6.3	5.1	6.2	5.7	4.5	5.8	5.3	4.1	4.3	—	—
1957	-2.2	-1.9	-1.7	0.6	0.9	1.2	0.3	0.6	0.8	1.6	—	—
1958	-1.3	-1.2	2.0	0.2	0.3	3.6	1.3	1.4	4.7	-0.5	—	—
1959	1.4	1.0	0.9	1.8	1.5	1.3	1.0	0.7	0.5	1.4	—	—
1960	0.7	0.3	1.3	2.1	1.7	2.7	1.3	0.8	1.8	1.9	—	—
1961	0.5	1.0	1.1	-1.0	-0.5	-0.5	-1.4	-0.9	-0.9	2.2	—	—
1962	5.3	4.6	4.3	5.5	4.8	4.5	5.6	4.9	4.7	1.9	1.1	1.6
1963	3.7	3.0	3.1	2.8	2.1	2.2	2.8	2.1	2.2	1.9	1.4	1.9
1964	5.2	4.3	3.4	3.7	2.9	1.9	2.7	1.9	0.9	2.9	2.4	2.5
1965	5.4	4.6	3.3	6.1	5.3	4.1	5.7	4.9	3.7	3.3	3.4	3.2
1966	6.7	6.0	4.3	6.7	6.0	4.2	4.6	3.9	2.2	3.3	3.9	2.4
1967	2.0	0.6	1.0	4.2	2.8	3.1	2.6	1.2	1.6	3.6	4.1	3.2
1968	3.7	2.2	3.4	4.0	2.5	3.7	2.6	1.1	2.3	1.4	2.1	2.7
1969	5.1	3.7	3.4	5.3	3.8	3.6	3.1	1.7	1.5	3.9	3.3	3.2
1970	1.1	-0.4	1.4	2.7	1.1	3.0	1.1	-0.5	1.3	2.8	3.1	3.9
1971	6.3	4.9	5.2	7.2	5.9	6.1	7.0	5.7	5.9	4.9	5.1	6.0
1972	7.1	5.2	5.2	7.6	5.6	5.6	8.1	6.1	6.1	3.5	3.4	4.3
1973	9.4	7.3	5.4	7.6	5.5	3.6	7.8	5.8	3.9	2.0	2.3	0.2
1974	6.5	4.5	3.7	5.8	3.8	3.0	5.0	3.1	2.3	3.3	2.5	-0.3
1975 ..	1.7	0.0	1.4	3.9	2.2	3.7	4.7	2.9	4.4	3.4	3.9	3.3
1976	5.2	3.1	4.4	4.9	2.8	4.1	4.0	1.9	3.2	5.5	5.9	4.5
1977	-0.3	-1.6	-0.9	1.3	0.0	0.6	1.3	0.0	0.7	0.9	-0.2	2.0
1978	2.1	0.3	-0.3	1.8	-0.1	-0.6	2.7	0.9	0.3	-1.4	-0.5	-1.1
1979	4.2	1.8	1.1	1.6	-0.8	-1.5	1.9	-0.5	-1.2	-2.1	-1.7	-0.5
1980	-0.2	-2.4	-1.9	0.4	-1.8	-1.3	-0.1	-2.3	-1.8	-2.5	-1.8	-0.4
1947 – 1980..	3.1	2.1	2.7	3.2	2.1	2.7	2.8	1.8	2.4	2.2	2.3 ⁽²⁾	2.2 ⁽²⁾
1950 – 1959..	2.1	1.8	3.0	2.5	2.2	3.4	2.2	1.9	3.1	2.6	—	—
1960 – 1969..	4.2	3.3	3.0	4.1	3.3	3.0	3.1	2.3	2.0	2.7	2.7 ⁽³⁾	2.6 ⁽³⁾
1970 – 1979..	4.7	2.8	2.8	4.6	2.7	2.7	4.7	2.8	2.8	2.2	2.3	2.0

(1) "Estimates of employees".

(2) Average from 1961 to 1980.

(3) Average from 1961 to 1969.

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001; *Estimates of Employees by Province and Industry*, monthly, cat. 72-008; *National Income and Expenditure Accounts*, cat. 13-533; *Employment, Earnings and Hours*, monthly, cat. 72-002; and *Census of Canada*, annual, cat. 91-001. Real incomes are computed by dividing the various nominal income measures by the national accounts implicit price index for consumer expenditure. The household data from 1961 to the present, are from Statistics Canada, *Household Equipment*, cat. 64-202, while data prior to 1961 were derived by interpolating the census benchmarks.

Reference Table 12
Personal Income and Expenditure
1947 – 1980

Years	Personal income	Personal disposable income	Personal expenditure	Personal saving	Ratio of personal savings to personal disposable income	Personal disposable income per capita	Personal expenditure per capita
D	40042 40552	40057 40295	40014 40254	40175 40413			
	(Millions of dollars)				(Per cent)	(Dollars)	
1947	10,926	9,964	9,362	544	5.5	773	726
1948	12,592	11,559	10,370	1,138	9.8	878	788
1949	13,396	12,383	11,365	965	7.8	921	845
1950	14,262	13,285	12,482	738	5.6	969	910
1951	16,791	15,435	13,857	1,496	9.7	1,102	989
1952	18,592	16,922	15,162	1,665	9.8	1,170	1,049
1953	19,550	17,718	16,181	1,423	8.0	1,194	1,090
1954	19,717	17,868	16,934	804	4.5	1,169	1,108
1955	21,265	19,331	18,388	797	4.1	1,231	1,171
1956	23,531	21,307	20,090	1,051	4.9	1,325	1,249
1957	25,170	22,714	21,492	1,047	4.6	1,367	1,294
1958	26,651	24,313	22,845	1,278	5.3	1,423	1,338
1959	28,108	25,440	24,390	844	3.3	1,455	1,395
1960	29,595	26,567	25,479	867	3.3	1,487	1,426
1961	30,104	26,904	25,930	745	2.8	1,475	1,422
1962	32,788	29,340	27,452	1,647	5.6	1,579	1,477
1963	34,829	31,168	29,225	1,691	5.4	1,646	1,544
1964	37,282	33,049	31,389	1,383	4.2	1,713	1,627
1965	41,071	36,263	33,947	2,001	5.5	1,846	1,728
1966	46,094	39,901	36,890	2,662	6.7	1,994	1,843
1967	50,579	43,123	39,972	2,736	6.3	2,116	1,962
1968	55,677	46,820	43,704	2,639	5.6	2,262	2,111
1969	61,804	50,911	47,492	2,730	5.4	2,424	2,261
1970	66,633	54,009	50,327	2,872	5.3	2,536	2,363
1971	74,092	59,943	55,616	3,509	5.9	2,779	2,579
1972	83,767	68,100	62,208	5,015	7.4	3,124	2,853
1973	97,832	79,719	71,278	7,230	9.0	3,617	3,234
1974	116,867	94,545	83,388	9,406	9.9	4,227	3,729
1975	136,205	110,996	96,995	12,139	10.9	4,892	4,275
1976	155,343	125,510	110,886	12,560	10.0	5,460	4,824
1977	170,986	138,204	122,471	13,537	9.8	5,945	5,268
1978	188,552	153,867	135,359	15,839	10.3	6,557	5,768
1979	210,728	172,478	150,489	18,049	10.5	7,288	6,359
1980	236,093	192,307	167,309	19,682	10.2	8,042	6,996

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 13
Personal Income, Canada and by Province
1950 – 1979

Years	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
D	30303	30304	30305	30306	30307	30308	30309	30310	30311	30312	30313	30315
(Millions of dollars) ⁽¹⁾												
1950	186	55	494	374	3,547	5,638	810	722	955	1,477	n.a.	14,262
1951	209	64	533	415	4,085	6,521	938	1,069	1,250	1,665	26	16,791
1952	229	78	604	438	4,558	7,207	1,006	1,213	1,344	1,863	31	18,592
1953	256	65	637	447	4,862	7,681	1,012	1,138	1,417	1,976	34	19,550
1954	272	69	664	468	5,029	7,930	1,002	824	1,346	2,050	39	19,717
1955	292	67	683	489	5,296	8,525	1,073	1,058	1,475	2,242	43	21,265
1956	325	85	732	534	5,840	9,320	1,206	1,205	1,719	2,482	59	23,531
1957	350	77	785	556	6,363	10,211	1,223	1,037	1,749	2,728	59	25,170
1958	361	83	820	585	6,655	10,802	1,352	1,156	1,958	2,786	59	26,651
1959	383	96	874	626	7,005	11,406	1,419	1,200	2,039	2,948	61	28,108
1960	412	97	920	664	7,422	11,923	1,492	1,352	2,134	3,058	63	29,595
1961	440	102	946	671	7,828	12,187	1,436	1,084	2,199	3,091	59	30,104
1962	462	114	995	707	8,446	13,098	1,611	1,529	2,411	3,279	62	32,788
1963	493	116	1,043	751	8,933	13,976	1,647	1,686	2,535	3,509	67	34,829
1964	531	128	1,108	809	9,742	15,030	1,775	1,539	2,652	3,822	70	37,282
1965	604	137	1,181	880	10,685	16,537	1,892	1,789	2,941	4,271	69	41,071
1966	680	151	1,302	979	11,880	18,655	2,039	2,047	3,374	4,817	80	46,094
1967	755	168	1,446	1,067	13,175	20,553	2,280	1,932	3,665	5,348	90	50,579
1968	837	189	1,580	1,183	14,193	22,844	2,523	2,187	4,111	5,837	104	55,677
1969	923	205	1,766	1,295	15,565	25,629	2,704	2,269	4,589	6,645	122	61,804
1970	1,025	229	1,895	1,412	16,682	27,974	2,857	2,133	4,953	7,245	148	66,633
1971	1,143	243	2,100	1,576	18,369	30,966	3,192	2,555	5,534	8,182	158	74,092
1972	1,301	287	2,436	1,810	20,823	34,822	3,564	2,767	6,267	9,417	193	83,767
1973	1,526	355	2,850	2,105	24,067	39,884	4,244	3,673	7,471	11,331	235	97,832
1974	1,903	400	3,375	2,539	28,980	47,060	4,985	4,519	9,019	13,687	293	116,867
1975	2,259	493	3,894	3,080	33,801	53,902	5,865	5,660	10,991	15,787	346	136,205
1976	2,582	547	4,416	3,460	39,204	60,959	6,473	6,199	12,783	18,187	398	155,343
1977	2,838	597	4,902	3,782	42,996	67,164	7,009	6,318	14,511	20,272	452	170,986
1978	3,039	685	5,452	4,145	47,238	73,714	7,673	6,989	16,551	22,418	494	188,552
1979	3,365	745	6,011	4,537	52,412	81,698	8,460	7,993	19,551	25,240	557	210,728
(Per cent change)												
1951	12.4	16.4	7.9	11.0	15.2	15.7	15.8	48.1	30.9	12.7	n.a.	17.7
1952	9.6	21.9	13.3	5.5	11.6	10.5	7.2	13.5	7.5	11.9	19.2	10.7
1953	11.8	-16.7	5.5	2.1	6.7	6.6	0.6	-6.2	5.4	6.1	9.7	5.2
1954	6.2	6.2	4.2	4.7	3.4	3.2	-1.0	-27.6	-5.0	3.7	14.7	0.9
1955	7.4	-2.9	2.9	4.5	5.3	7.5	7.1	28.4	9.6	9.4	10.3	7.9
1956	11.3	26.9	7.2	9.2	10.3	9.3	12.4	13.9	16.5	10.7	37.2	10.7
1957	7.7	-9.4	7.2	4.1	9.0	9.6	1.4	-13.9	1.7	9.9	0.0	7.0
1958	3.1	7.8	4.5	5.2	4.6	5.8	10.5	11.5	11.9	2.5	0.0	5.9
1959	6.1	15.7	6.6	7.0	5.3	5.6	5.0	3.8	4.1	5.8	3.4	5.5
1960	7.6	1.0	5.3	6.1	6.0	4.5	5.1	12.7	4.7	3.7	3.3	5.3
1961	6.8	5.2	2.8	1.1	5.5	2.2	-3.8	-19.8	3.0	1.1	-6.3	1.7
1962	5.0	11.8	5.2	5.4	7.9	7.5	12.2	41.1	9.6	6.1	5.1	8.9
1963	6.7	1.8	4.8	6.2	5.8	6.7	2.2	10.3	5.1	7.0	8.1	6.2
1964	7.7	10.3	6.2	7.7	9.1	7.5	7.8	-8.7	4.6	8.9	4.5	7.0
1965	13.7	7.0	6.6	8.8	9.7	10.0	6.6	16.2	10.9	11.7	-1.4	10.2
1966	12.6	10.2	10.2	11.2	11.2	12.8	7.8	14.4	14.7	12.8	15.9	12.2
1967	11.0	11.3	11.1	9.0	10.9	10.2	11.8	-5.6	8.6	11.0	12.5	9.7
1968	10.9	12.5	9.3	10.9	7.7	11.1	10.7	13.2	12.2	9.1	15.6	10.1
1969	10.3	8.5	11.8	9.5	9.7	12.2	7.2	3.7	11.6	13.8	17.3	11.0
1970	11.1	11.7	7.3	9.0	7.2	9.1	5.7	-6.0	7.9	9.0	21.3	7.8
1971	11.5	6.1	10.8	11.6	10.1	10.7	11.7	19.8	11.7	12.9	6.8	11.2
1972	13.8	18.1	16.0	14.8	13.4	12.5	11.7	8.3	13.2	15.1	22.2	13.1
1973	17.3	23.7	17.0	16.3	15.6	14.5	19.1	32.7	19.2	20.3	21.8	16.8
1974	24.7	12.7	18.4	20.6	20.4	18.0	17.5	23.0	20.7	20.8	24.7	19.5
1975	18.7	23.2	15.4	21.3	16.6	14.5	17.7	25.2	21.9	15.3	18.1	16.5
1976	14.3	11.0	13.4	12.3	16.0	13.1	10.4	9.5	16.3	15.2	15.0	14.1
1977	9.9	9.1	11.0	9.3	9.7	10.2	8.3	1.9	13.5	11.5	13.6	10.1
1978	7.1	14.7	11.2	9.6	9.9	9.8	9.5	10.6	14.1	10.6	9.3	10.3
1979	10.7	8.8	10.3	9.5	11.0	10.8	10.3	14.4	18.1	12.6	12.8	11.8

Reference Table 13 (continued)
 Personal Income, Canada and by Province
 1950 – 1979

Years	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
(Percentage distribution of total among provinces)												
1950	1.3	0.4	3.5	2.6	24.9	39.5	5.7	5.1	6.7	10.4	n.a.	100.0
1951	1.2	0.4	3.2	2.5	24.3	38.8	5.6	6.4	7.4	9.9	0.2	100.0
1952	1.2	0.4	3.2	2.4	24.5	38.8	5.4	6.5	7.2	10.0	0.2	100.0
1953	1.3	0.3	3.3	2.3	24.9	39.3	5.2	5.8	7.2	10.1	0.2	100.0
1954	1.4	0.3	3.4	2.4	25.5	40.2	5.1	4.2	6.8	10.4	0.2	100.0
1955	1.4	0.3	3.2	2.3	24.9	40.1	5.0	5.0	6.9	10.5	0.2	100.0
1956	1.4	0.4	3.1	2.3	24.8	39.6	5.1	5.1	7.3	10.5	0.3	100.0
1957	1.4	0.3	3.1	2.2	25.3	40.6	4.9	4.1	7.0	10.8	0.2	100.0
1958	1.4	0.3	3.1	2.2	25.0	40.5	5.1	4.3	7.3	10.5	0.2	100.0
1959	1.4	0.3	3.1	2.2	24.9	40.6	5.0	4.3	7.3	10.5	0.2	100.0
1960	1.4	0.3	3.1	2.2	25.1	40.3	5.0	4.6	7.2	10.3	0.2	100.0
1961	1.5	0.3	3.1	2.2	26.0	40.5	4.8	3.6	7.3	10.3	0.2	100.0
1962	1.4	0.3	3.0	2.2	25.8	39.9	4.9	4.7	7.4	10.0	0.2	100.0
1963	1.4	0.3	3.0	2.2	25.6	40.1	4.7	4.8	7.3	10.1	0.2	100.0
1964	1.4	0.3	3.0	2.2	26.1	40.3	4.8	4.1	7.1	10.3	0.2	100.0
1965	1.5	0.3	2.9	2.1	26.0	40.3	4.6	4.4	7.2	10.4	0.2	100.0
1966	1.5	0.3	2.8	2.1	25.8	40.5	4.4	4.4	7.3	10.5	0.2	100.0
1967	1.5	0.3	2.9	2.1	26.0	40.6	4.5	3.8	7.2	10.6	0.2	100.0
1968	1.5	0.3	2.8	2.1	25.5	41.0	4.5	3.9	7.4	10.5	0.2	100.0
1969	1.5	0.3	2.9	2.1	25.2	41.5	4.4	3.7	7.4	10.8	0.2	100.0
1970	1.5	0.3	2.8	2.1	25.0	42.0	4.3	3.2	7.4	10.9	0.2	100.0
1971	1.5	0.3	2.8	2.1	24.8	41.8	4.3	3.4	7.5	11.0	0.2	100.0
1972	1.6	0.3	2.9	2.2	24.9	41.6	4.3	3.3	7.5	11.2	0.2	100.0
1973	1.6	0.4	2.9	2.2	24.6	40.8	4.3	3.8	7.6	11.6	0.2	100.0
1974	1.6	0.3	2.9	2.2	24.8	40.3	4.3	3.9	7.7	11.7	0.3	100.0
1975	1.7	0.4	2.9	2.3	24.8	39.6	4.3	4.2	8.1	11.6	0.3	100.0
1976	1.7	0.4	2.8	2.2	25.2	39.2	4.2	4.0	8.2	11.7	0.3	100.0
1977	1.7	0.3	2.9	2.2	25.1	39.3	4.1	3.7	8.5	11.9	0.3	100.0
1978	1.6	0.4	2.9	2.2	25.1	39.1	4.1	3.7	8.8	11.9	0.3	100.0
1979	1.6	0.4	2.9	2.2	24.9	38.8	4.0	3.8	9.3	12.0	0.3	100.0

Note: The Canada figure includes personal income of Canadians temporarily abroad (including pay and allowances of Canadian Armed Forces abroad). The Yukon and the Northwest Territories are included with British Columbia up to 1950.
Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 14
Personal Income Per Capita, Canada and by Province
1950 – 1979

Years	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
D	30316	30317	30318	30319	30320	30321	30322	30323	30324	30325	30326	30327
(Dollars)												
1950	530	573	774	730	894	1,261	1,055	867	1,046	1,299	n.a.	1,040
1951	579	653	829	804	1,007	1,418	1,209	1,285	1,331	1,429	1,040	1,199
1952	612	780	925	833	1,092	1,505	1,261	1,439	1,387	1,546	1,240	1,286
1953	668	644	961	839	1,139	1,555	1,251	1,322	1,400	1,583	1,360	1,317
1954	689	683	987	867	1,146	1,550	1,217	944	1,273	1,583	1,444	1,290
1955	719	670	1,000	894	1,172	1,619	1,279	1,205	1,352	1,671	1,483	1,355
1956	783	859	1,053	962	1,262	1,724	1,419	1,368	1,531	1,774	1,903	1,463
1957	825	778	1,120	989	1,334	1,812	1,419	1,178	1,503	1,841	1,903	1,515
1958	836	830	1,157	1,025	1,357	1,856	1,545	1,297	1,624	1,811	1,788	1,560
1959	869	951	1,216	1,076	1,394	1,911	1,593	1,323	1,634	1,881	1,794	1,608
1960	920	942	1,265	1,127	1,443	1,951	1,647	1,478	1,653	1,909	1,750	1,656
1961	961	971	1,284	1,122	1,488	1,954	1,557	1,172	1,651	1,897	1,595	1,651
1962	987	1,065	1,334	1,169	1,573	2,062	1,721	1,644	1,761	1,975	1,550	1,764
1963	1,036	1,074	1,389	1,233	1,630	2,156	1,736	1,807	1,807	2,065	1,634	1,840
1964	1,099	1,174	1,468	1,324	1,745	2,267	1,851	1,634	1,856	2,190	1,667	1,933
1965	1,238	1,257	1,562	1,431	1,880	2,436	1,961	1,883	2,028	2,377	1,683	2,091
1966	1,379	1,385	1,722	1,587	2,055	2,680	2,117	2,143	2,306	2,570	1,860	2,303
1967	1,513	1,541	1,903	1,721	2,247	2,884	2,368	2,019	2,460	2,750	2,045	2,482
1968	1,654	1,718	2,060	1,893	2,394	3,146	2,598	2,278	2,698	2,914	2,311	2,690
1969	1,796	1,847	2,279	2,062	2,601	3,470	2,762	2,368	2,944	3,226	2,596	2,943
1970	1,983	2,082	2,423	2,252	2,774	3,705	2,906	2,267	3,105	3,405	2,960	3,129
1971	2,190	2,189	2,662	2,482	3,047	4,020	3,231	2,759	3,399	3,745	2,981	3,435
1972	2,455	2,540	3,064	2,828	3,440	4,459	3,596	3,027	3,782	4,202	3,386	3,842
1973	2,842	3,114	3,545	3,253	3,959	5,043	4,261	4,059	4,421	4,922	3,917	4,438
1974	3,518	3,478	4,156	3,882	4,733	5,843	4,950	5,021	5,238	5,761	4,883	5,226
1975	4,115	4,214	4,749	4,632	5,470	6,596	5,784	6,240	6,182	6,489	5,492	6,001
1976	4,627	4,636	5,327	5,111	6,288	7,376	6,334	6,731	6,955	7,372	6,219	6,756
1977	5,032	4,975	5,871	5,505	6,851	8,039	6,811	6,743	7,649	8,128	7,063	7,352
1978	5,341	5,615	6,483	5,966	7,530	8,730	7,421	7,372	8,470	8,861	7,600	8,032
1979	5,862	6,057	7,088	6,472	8,341	9,608	8,198	8,335	9,717	9,821	8,569	8,902
(Per cent change)												
1951	9.1	13.5	7.1	10.2	12.7	12.5	14.5	48.3	27.2	10.0	n.a.	15.2
1952	5.8	19.4	11.6	3.5	8.4	6.1	4.3	12.0	3.8	8.2	19.2	7.3
1953	9.2	-17.5	3.9	0.7	4.3	3.3	-0.8	-8.1	1.4	2.4	9.7	2.4
1954	3.0	6.2	2.7	3.3	0.6	-0.3	-2.7	-28.6	-9.1	-0.2	6.2	-2.1
1955	4.4	-1.9	1.4	3.2	2.3	4.4	5.0	27.7	6.2	5.5	2.7	5.0
1956	8.9	28.1	5.3	7.6	7.6	6.5	-0.2	13.5	13.2	6.2	28.4	8.0
1957	5.4	-9.4	6.3	2.8	5.7	5.1	0.0	-13.9	-1.8	3.8	0.0	3.6
1958	1.2	6.7	3.3	3.6	1.7	2.4	8.9	10.1	8.1	-1.6	-6.1	3.0
1959	3.9	14.5	5.1	5.0	2.7	3.0	3.1	2.0	0.6	3.9	0.3	3.0
1960	5.9	-0.9	4.1	4.8	3.5	2.1	3.4	11.7	1.2	1.5	-2.5	3.0
1961	4.5	3.2	1.4	-0.5	3.1	0.2	-5.4	-20.7	-0.1	-0.6	-8.9	-0.3
1962	2.8	9.7	3.9	4.1	5.6	5.5	10.5	40.3	6.7	4.1	-2.8	6.9
1963	4.9	0.8	4.1	5.5	3.6	4.6	0.8	9.9	2.6	4.6	5.4	4.3
1964	6.1	9.3	5.7	7.4	7.0	5.1	6.6	-9.6	2.7	6.0	2.0	5.1
1965	12.6	7.0	6.4	8.1	7.7	7.5	5.9	15.3	9.3	8.5	1.0	8.2
1966	11.4	10.2	10.2	10.9	9.3	10.0	8.0	13.8	13.7	8.1	10.5	10.1
1967	9.7	11.3	10.5	8.5	9.3	7.6	11.8	-5.8	6.7	7.0	9.9	7.8
1968	9.3	11.5	8.3	10.0	6.6	9.1	9.7	12.8	9.7	6.0	13.0	8.4
1969	8.6	7.5	10.6	8.9	8.6	10.3	6.3	4.0	9.1	10.7	12.3	9.4
1970	10.4	12.7	6.3	9.2	6.7	6.8	5.2	-4.3	5.5	5.5	14.0	6.3
1971	10.4	5.2	9.8	10.2	9.8	8.5	11.2	21.7	9.5	10.0	0.7	9.8
1972	12.1	16.0	15.1	14.0	12.9	10.9	11.3	9.7	11.3	12.2	13.6	11.8
1973	15.8	22.6	15.7	15.0	15.1	13.1	18.5	34.1	16.9	17.1	15.7	15.5
1974	23.8	11.7	17.3	19.3	19.5	15.9	16.2	23.7	18.5	17.0	24.7	17.7
1975	17.0	21.1	14.3	19.3	15.6	12.9	16.8	24.3	18.0	12.6	12.5	14.8
1976	12.5	10.0	12.2	10.3	14.9	11.8	9.5	7.9	12.5	13.6	13.2	12.6
1977	8.7	7.3	10.2	7.7	9.0	9.0	7.5	0.2	10.0	10.3	13.6	8.8
1978	6.1	12.9	10.4	8.3	9.9	8.6	8.9	9.3	10.7	9.0	7.6	9.3
1979	9.8	7.9	9.3	8.5	10.8	10.1	10.5	13.1	14.7	10.8	12.8	10.8

Reference Table 14 (continued)
 Personal Income Per Capita, Canada and by Province
 1950 – 1979

Years	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
(Personal income per capita, by province, as a percentage of personal income per capita at the national level)												
1950	50.9	55.1	74.4	70.2	85.9	121.2	101.4	83.3	100.6	124.9	n.a.	100.0
1951	48.3	54.5	69.2	67.1	84.0	118.3	100.8	107.2	110.6	119.2	86.8	100.0
1952	47.6	60.7	71.9	64.8	84.9	117.1	98.0	111.9	107.4	120.2	96.4	100.0
1953	50.8	48.9	73.0	63.7	86.5	118.0	95.0	100.4	106.3	120.2	103.3	100.0
1954	53.4	53.0	76.5	67.2	88.9	120.2	94.4	73.2	98.7	122.7	112.0	100.0
1955	53.1	49.5	73.8	66.0	86.6	119.5	94.4	89.0	99.8	123.3	109.5	100.0
1956	53.5	58.7	72.0	65.8	86.2	117.8	97.0	93.5	104.6	121.2	130.1	100.0
1957	54.5	51.3	73.9	65.3	88.0	119.6	93.6	77.8	99.2	121.5	125.6	100.0
1958	53.6	53.2	74.1	65.7	87.0	118.9	99.0	83.1	104.0	116.1	114.6	100.0
1959	54.0	59.1	75.6	66.9	86.7	118.9	99.1	82.3	101.6	117.0	111.6	100.0
1960	55.5	56.9	76.4	68.1	87.2	117.8	99.4	89.2	99.8	115.3	105.7	100.0
1961	58.2	58.9	77.8	68.0	90.2	118.4	94.4	71.0	100.0	115.0	96.6	100.0
1962	55.9	60.4	75.6	66.2	89.1	116.9	97.5	93.2	99.8	112.0	87.8	100.0
1963	56.3	58.4	75.5	67.0	88.6	117.2	94.3	98.2	98.2	112.3	88.8	100.0
1964	56.9	60.8	75.9	68.5	90.3	117.3	95.8	84.5	96.0	113.3	86.2	100.0
1965	59.2	60.1	74.7	68.4	89.9	116.5	93.8	90.1	97.0	113.7	80.5	100.0
1966	59.9	60.2	74.8	68.9	89.2	116.4	91.9	93.1	100.1	111.6	80.8	100.0
1967	61.0	62.1	76.7	69.3	90.5	116.2	95.4	81.3	99.1	110.8	82.4	100.0
1968	61.5	63.9	76.6	70.4	89.0	117.0	96.6	84.7	100.3	108.3	85.9	100.0
1969	61.0	62.8	77.4	70.1	88.4	117.9	93.9	80.5	100.0	109.6	88.2	100.0
1970	63.4	66.5	77.5	72.0	88.7	118.4	92.9	72.4	99.3	108.8	94.6	100.0
1971	63.7	63.7	77.5	72.2	88.7	117.0	94.0	80.3	99.0	109.0	86.8	100.0
1972	63.9	66.1	79.8	73.6	89.5	116.0	93.6	78.8	98.4	109.4	88.1	100.0
1973	64.0	70.2	79.9	73.3	89.2	113.6	96.0	91.4	99.6	110.9	88.2	100.0
1974	67.3	66.6	79.5	74.3	90.6	111.8	94.7	96.1	100.2	110.2	93.4	100.0
1975	68.6	70.2	79.1	77.2	91.2	109.9	96.4	104.0	103.0	108.1	91.5	100.0
1976	68.5	68.6	78.8	75.6	93.1	109.2	93.8	99.6	102.9	109.1	92.0	100.0
1977	68.4	67.7	79.9	74.9	93.2	109.3	92.7	91.7	104.1	110.6	96.1	100.0
1978	66.5	69.9	80.7	74.3	93.8	108.7	92.4	91.8	105.5	110.3	94.6	100.0
1979	65.9	68.0	79.6	72.7	93.7	107.9	92.1	93.6	109.2	110.3	96.3	100.0

Note: Personal income per capita is obtained by dividing Personal Income by Population as of June. Per cent changes are calculated from unrounded data.

Source: Statistics Canada, *Estimates of Population for Canada and Provinces at June 1; National Income and Expenditure Accounts*.

Reference Table 15
Personal Expenditure Per Capita, Canada and by Province
1962 – 1979

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
D	31720 31236	31742 31237	31964 31238	31786 31239	31808 31240	31830 31241	31852 31242	31874 31243	31896 31244	44014 31245	31940 31246 + 31247	31968 31248
(Dollars)												
1962	1,140	1,158	1,503	1,373	2,132	2,804	2,159	2,201	2,507	2,588	2,085	2,354
1963	1,221	1,192	1,565	1,441	2,204	2,933	2,227	2,591	2,637	2,718	2,198	2,472
1964	1,349	1,302	1,669	1,612	2,398	3,148	2,386	2,456	2,774	2,921	2,250	2,647
1965	1,450	1,415	1,789	1,750	2,584	3,372	2,547	2,652	3,029	3,189	3,080	2,856
1966	1,632	1,517	1,973	1,920	2,818	3,677	2,730	3,121	3,424	3,422	3,316	3,133
1967	1,712	1,614	2,142	2,029	3,005	3,911	2,964	2,861	3,612	3,603	3,486	3,315
1968	1,916	1,814	2,346	2,214	3,172	4,225	3,248	3,031	3,919	3,838	3,993	3,562
1969	2,082	1,944	2,651	2,404	3,431	4,596	3,509	3,265	4,230	4,234	4,291	3,876
1970	2,311	2,178	2,828	2,603	3,647	4,802	3,710	3,215	4,493	4,284	4,540	4,069
1971	2,479	2,307	2,995	2,810	3,918	5,171	3,996	3,788	4,884	4,709	4,306	4,408
1972	2,529	2,551	3,395	3,209	4,337	5,731	4,408	3,997	5,441	5,264	4,904	4,886
1973	2,952	3,216	3,887	3,726	4,936	6,518	5,226	5,222	6,693	6,376	6,312	5,686
1974	3,498	3,318	4,382	4,334	5,790	7,495	6,124	6,964	9,140	7,264	8,205	6,725
1975	3,888	3,887	4,865	4,860	6,435	8,104	6,871	7,812	10,571	7,831	7,660	7,410
1976	4,542	4,422	5,590	5,402	7,417	9,201	7,759	8,591	11,623	9,184	7,539	8,436
1977	5,047	4,662	6,059	5,760	7,966	9,942	8,117	8,902	12,834	10,097	9,525	9,129
1978	5,364	5,248	6,715	6,339	8,831	10,674	8,921	9,995	14,406	11,029	11,032	9,999
1979	6,204	5,767	7,372	7,005	9,887	11,948	9,931	11,556	16,836	12,679	12,122	11,311
(Per cent change)												
1963	7.1	2.9	4.1	5.0	3.4	4.6	3.1	17.7	5.2	5.0	5.4	5.0
1964	10.5	9.2	6.7	11.9	8.8	7.3	7.1	-5.2	5.2	7.4	2.4	7.1
1965	7.5	8.7	7.2	8.5	7.7	7.1	6.8	8.0	9.2	9.2	36.9	7.9
1966	12.5	7.3	10.3	9.7	9.1	9.0	7.2	17.7	13.1	7.3	7.7	9.7
1967	4.9	6.3	8.5	5.7	6.6	6.4	8.6	-8.3	5.5	5.3	5.1	5.8
1968	11.9	12.4	9.5	9.1	5.5	8.0	9.6	5.9	8.5	6.5	14.5	7.5
1969	8.7	7.2	13.0	8.6	8.2	8.8	8.0	7.7	7.9	10.3	7.5	8.8
1970	11.0	12.0	6.7	8.3	6.3	4.5	5.7	-1.5	6.2	1.2	5.8	5.0
1971	7.3	5.9	5.9	8.0	7.4	7.7	7.7	17.8	8.7	9.9	-5.2	8.3
1972	2.0	10.6	13.4	14.2	10.7	10.8	10.3	5.5	11.4	11.8	13.9	10.8
1973	16.7	26.0	14.5	16.1	13.8	13.7	18.6	30.6	23.0	21.1	28.7	16.4
1974	18.5	3.2	12.7	16.3	17.3	15.0	17.2	33.4	36.6	13.9	30.0	18.3
1975	11.1	17.1	11.0	12.1	11.1	8.1	12.2	12.2	15.7	7.8	-6.6	10.2
1976	16.8	13.8	14.9	11.2	15.3	13.5	12.9	10.0	10.0	17.3	-1.6	13.8
1977	11.1	5.4	8.4	6.6	7.4	8.1	4.6	3.6	10.4	9.9	26.3	8.2
1978	6.3	12.5	10.8	10.1	10.9	7.4	9.9	12.3	12.2	9.2	16.3	9.5
1979	15.7	9.9	9.8	10.5	12.0	11.9	11.3	15.6	16.9	15.0	9.4	13.1

Reference Table 15 (continued)
 Personal Expenditure Per Capita, Canada and by Province
 1962 – 1979

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
(Personal expenditure per capita, by province, as a percentage of personal expenditure per capita at the national level)												
1962	48.4	49.2	63.8	58.3	90.5	119.1	91.7	93.5	106.5	109.9	88.6	100.0
1963	49.4	48.2	63.3	58.3	89.2	118.7	90.1	104.8	106.7	110.0	88.9	100.0
1964	50.9	49.2	63.1	60.9	90.6	118.9	90.1	92.8	104.8	110.3	85.0	100.0
1965	50.8	49.5	62.7	61.3	90.5	118.1	89.2	92.9	106.1	111.7	107.9	100.0
1966	52.1	48.4	63.0	61.3	90.0	117.4	87.1	99.6	109.3	109.2	105.6	100.0
1967	51.7	48.7	64.6	61.2	90.7	118.0	89.4	86.3	109.0	108.7	105.2	100.0
1968	53.8	50.9	65.8	62.2	89.0	118.6	91.2	85.1	110.0	107.7	112.1	100.0
1969	53.7	50.2	68.4	62.0	88.5	118.6	90.5	84.2	109.1	109.2	110.7	100.0
1970	56.8	53.5	69.5	64.0	89.6	118.0	91.2	79.0	110.4	105.3	111.6	100.0
1971	56.2	52.3	68.0	63.8	88.9	117.3	90.7	85.9	110.8	106.8	97.7	100.0
1972	51.8	52.2	69.5	65.7	88.8	117.3	90.2	81.8	111.4	107.7	100.4	100.0
1973	51.9	56.6	68.4	65.5	86.8	114.6	91.9	91.8	117.7	112.1	111.0	100.0
1974	52.0	49.3	65.2	64.4	86.1	111.4	91.1	103.5	135.9	108.0	122.0	100.0
1975	52.5	52.5	65.7	65.6	86.8	109.4	92.7	105.4	142.7	105.7	103.4	100.0
1976	53.8	52.4	66.3	64.0	87.9	109.1	92.0	101.8	137.8	108.9	88.9	100.0
1977	55.3	51.1	66.4	63.1	87.3	108.9	88.9	97.5	140.6	110.6	104.3	100.0
1978	53.6	52.5	67.2	63.4	88.3	106.7	89.2	100.0	144.0	110.3	110.8	100.0
1979	54.9	51.0	65.2	61.9	87.4	105.6	87.8	102.2	148.9	112.1	107.2	100.0

Note: Personal expenditure per capita is obtained by dividing personal expenditure by population as of June. Percentages are calculated from unrounded data.

Source: Statistics Canada, *Annual Estimates of Population for Canada and Provinces as of June 1; National Income and Expenditure Accounts*.

Reference Table 16
Value of Retail Trade, Canada and by Region
1950 – 1980⁽¹⁾

Years	Motor vehicle dealers	All other types of business	Total all stores					British Columbia ⁽²⁾
			Canada	Atlantic region	Quebec	Ontario	Prairie region	
(Millions of dollars)								
1950.....	1,505	8,112	9,617	822	2,183	3,715	1,914	982
1951.....	1,884	8,809	10,693	899	2,443	4,130	2,122	1,100
1952.....	2,105	9,462	11,567	971	2,658	4,409	2,340	1,190
1953.....	2,303	9,886	12,189	1,004	2,793	4,666	2,485	1,241
1954.....	2,055	10,262	12,317	1,024	2,868	4,762	2,391	1,274
1955.....	2,415	11,058	13,473	1,125	3,109	5,296	2,496	1,447
1956.....	2,598	12,176	14,774	1,209	3,463	5,734	2,728	1,640
1957.....	2,547	12,876	15,423	1,233	3,710	5,943	2,855	1,683
1958.....	2,485	13,654	16,139	1,287	3,854	6,271	3,021	1,706
1959.....	2,701	14,386	17,087	1,357	4,114	6,615	3,208	1,793
1960.....	2,650	14,741	17,391	1,421	4,213	6,751	3,250	1,755
1961.....	2,599	15,154	17,752	1,456	4,490	6,808	3,238	1,761
1961.....	2,599	13,474	16,073	1,381	4,108	6,207	2,774	1,604
1962.....	2,957	14,180	17,137	1,429	4,456	6,526	2,945	1,751
1963.....	3,312	14,895	18,207	1,511	4,770	6,948	3,098	1,880
1964.....	3,612	15,881	19,493	1,616	5,120	7,366	3,305	2,087
1965.....	4,175	16,979	21,155	1,762	5,534	8,043	3,509	2,307
1966.....	4,338	18,349	22,686	1,861	5,882	8,625	3,811	2,507
1967.....	4,433	19,722	24,155	1,979	6,379	9,091	4,058	2,648
1968.....	4,714	20,997	25,711	2,135	6,565	9,885	4,267	2,859
1969.....	4,796	22,606	27,401	2,191	6,962	10,588	4,494	3,165
1970.....	4,197	23,837	28,034	2,295	7,074	10,885	4,520	3,260
1971.....	4,925	25,722	30,646	2,532	7,681	11,877	4,924	3,632
1972.....	6,240	27,866	34,106	2,787	8,612	13,058	5,587	4,062
1973.....	7,422	30,913	38,335	3,097	9,697	14,505	6,302	4,735
1974.....	8,303	36,448	44,751	3,638	11,383	16,564	7,627	5,540
1975.....	10,184	41,216	51,399	4,169	13,020	19,151	8,990	6,068
1976.....	11,058	46,109	57,167	4,627	14,448	21,057	10,220	6,815
1977.....	11,750	49,902	61,651	4,924	15,558	22,711	11,009	7,449
1978.....	13,480	55,319	68,799	5,615	17,174	25,184	12,399	8,427
1979.....	15,423	61,569	76,992	6,297	19,608	27,497	14,193	9,397
1980.....	15,740	68,149	83,889	6,635	20,884	29,644	15,975	10,750

Note: Figures may not cross-add due to rounding.

⁽¹⁾ Retail trade data prior to 1975 were based on samples of retail firms benchmarked to census information; there were overlaps of data benchmarked to different census years. Beginning with 1975, and extended back to 1971, retail trade data were obtained from a sample of firms derived from non-census information and these data are not comparable to earlier data. Data prior to 1961 were based on the 1948 Standard Industrial Classification, and the more recent data are based on the 1960 S.I.C.

⁽²⁾ Includes the Yukon and Northwest Territories.

Source: Statistics Canada, *Retail Trade*, cat. 63-005.

Reference Table 17
Private and Public Investment in Canada
1955 – 1980

Years	Capital expenditures				Total	Capital expenditures				Total
	Construc- tion	Machinery and equipment	Sub- total	Repair expendi- tures		Construc- tion	Machinery and equipment	Sub- total	Repair expendi- tures	
Primary and construction industries					Manufacturing					
(Millions of dollars)										
1955	387	612	999	411	1,410	345	602	947	513	1,460
1956	534	772	1,306	475	1,781	488	906	1,394	578	1,972
1957	544	702	1,246	461	1,707	520	959	1,479	613	2,092
1958	378	619	997	468	1,465	398	697	1,095	572	1,667
1959	396	678	1,074	517	1,591	374	770	1,144	662	1,806
1960	451	683	1,134	522	1,656	335	843	1,178	671	1,849
1961	572	639	1,211	512	1,723	279	806	1,085	682	1,767
1962	568	738	1,306	536	1,842	353	916	1,269	750	2,019
1963	599	879	1,478	586	2,064	355	1,003	1,358	801	2,159
1964	702	1,051	1,753	660	2,413	443	1,388	1,831	896	2,727
1965	869	1,151	2,020	724	2,744	604	1,736	2,340	974	3,314
1966	1,066	1,348	2,414	796	3,210	788	2,126	2,914	1,096	4,010
1967	1,069	1,427	2,496	854	3,350	677	1,857	2,534	1,156	3,690
1968	1,086	1,341	2,427	914	3,341	657	1,542	2,199	1,232	3,431
1969	1,203	1,323	2,526	985	3,511	772	1,828	2,600	1,306	3,906
1970	1,284	1,268	2,552	1,112	3,664	997	2,226	3,223	1,417	4,640
1971	1,605	1,508	3,113	1,212	4,325	873	2,121	2,994	1,483	4,477
1972	1,528	1,785	3,313	1,304	4,617	829	2,119	2,948	1,657	4,605
1973	1,756	2,102	3,858	1,582	5,439	986	2,682	3,668	1,919	5,587
1974	2,184	2,529	4,713	1,899	6,612	1,425	3,525	4,950	2,310	7,260
1975	2,619	3,205	5,824	2,198	8,022	1,569	3,953	5,522	2,445	7,967
1976	3,094	4,168	7,262	2,540	9,802	1,440	4,026	5,465	2,891	8,357
1977	3,683	4,219	7,902	2,772	10,674	1,659	4,422	6,081	3,216	9,297
1978	4,058	4,440	8,498	2,972	11,469	1,544	4,635	6,178	3,596	9,774
1979	5,437	5,470	10,907	3,388	14,296	1,664	5,657	7,320	3,895	11,215
1980	7,037	6,421	13,458	3,723	17,181	1,820	7,253	9,073	4,219	13,291
Utilities					Trade, finance and commercial services					
(Millions of dollars)										
1955	649	487	1,136	600	1,736	296	265	561	130	691
1956	1,086	676	1,762	640	2,402	327	284	611	138	749
1957	1,475	833	2,308	677	2,985	383	307	690	146	836
1958	1,405	748	2,153	650	2,803	396	309	705	146	851
1959	1,118	724	1,842	703	2,545	462	371	833	168	1,001
1960	1,074	698	1,772	713	2,485	466	409	875	168	1,043
1961	1,088	610	1,698	723	2,421	451	396	847	162	1,009
1962	982	619	1,601	734	2,335	438	422	860	164	1,024
1963	1,111	660	1,771	774	2,545	468	450	918	183	1,101
1964	1,332	727	2,059	822	2,881	548	494	1,042	195	1,237
1965	1,443	980	2,423	867	3,290	705	564	1,269	220	1,489
1966	1,666	1,260	2,926	945	3,871	860	667	1,527	248	1,775
1967	1,748	1,397	3,145	1,019	4,164	764	770	1,534	272	1,806
1968	1,774	1,446	3,220	1,070	4,290	710	762	1,472	300	1,772
1969	1,719	1,586	3,305	1,113	4,418	704	952	1,656	299	1,955
1970	2,044	1,584	3,628	1,218	4,846	760	985	1,745	323	2,068
1971	2,228	1,760	3,988	1,318	5,306	901	1,014	1,915	324	2,239
1972	2,357	1,872	4,229	1,424	5,653	1,212	1,430	2,642	355	2,997
1973	2,673	2,484	5,157	1,617	6,774	1,685	1,759	3,445	420	3,864
1974	3,154	3,087	6,241	2,002	8,243	2,184	2,145	4,329	510	4,839
1975	4,403	3,630	8,033	2,229	10,262	2,768	2,448	5,216	591	5,807
1976	4,426	3,828	8,254	2,588	10,842	2,724	2,546	5,270	724	5,994
1977	5,073	4,115	9,188	2,948	12,136	2,605	2,730	5,335	775	6,110
1978	5,626	4,900	10,526	3,393	13,918	2,925	3,402	6,327	912	7,239
1979	6,100	5,784	11,883	3,679	15,562	3,726	4,028	7,754	942	8,696
1980	6,803	6,166	12,968	4,021	16,990	4,139	4,587	8,726	1,025	9,751

Reference Table 17 (continued)
Private and Public Investment in Canada
1955 – 1980

Years	Capital expenditures				Total	Capital expenditures			Repair expendi- tures	Total
	Construc- tion	Machinery and equipment	Sub- total			Construc- tion	Machinery and equipment	Sub- total		
Institutions					Housing ⁽¹⁾					
(Millions of dollars)										
1955	367	41	408	49	457	1,397	—	1,397	338	1,735
1956	359	43	402	52	454	1,547	—	1,547	355	1,902
1957	407	47	454	56	510	1,430	—	1,430	383	1,813
1958	457	57	514	57	571	1,782	—	1,782	407	2,189
1959	479	57	536	59	595	1,752	—	1,752	431	2,183
1960	500	73	573	71	644	1,456	—	1,456	457	1,913
1961	536	81	617	78	695	1,467	—	1,467	484	1,951
1962	729	105	834	76	910	1,587	—	1,587	513	2,100
1963	757	116	873	75	948	1,713	—	1,713	544	2,257
1964	648	123	771	79	850	2,028	—	2,028	577	2,605
1965	867	145	1,012	82	1,094	2,133	—	2,133	618	2,751
1966	1,020	184	1,204	93	1,297	2,181	—	2,181	661	2,842
1967	1,107	208	1,315	113	1,428	2,352	—	2,352	713	3,065
1968	1,197	225	1,422	118	1,540	2,806	—	2,806	780	3,586
1969	1,134	209	1,343	133	1,476	3,384	—	3,384	844	4,228
1970	1,095	216	1,311	134	1,445	3,138	—	3,138	871	4,009
1971	1,199	236	1,435	152	1,587	4,025	—	4,025	951	4,976
1972	993	225	1,218	168	1,386	4,820	—	4,820	1,051	5,871
1973	914	228	1,142	175	1,316	5,978	—	5,978	1,188	7,165
1974	1,064	275	1,338	199	1,537	7,010	—	7,010	1,451	8,461
1975	1,191	293	1,484	224	1,708	7,114	—	7,114	1,576	8,690
1976	1,168	317	1,485	256	1,741	10,853	—	10,853	1,817	12,669
1977	1,180	335	1,514	313	1,827	11,065	—	11,065	2,061	13,126
1978	1,181	362	1,542	344	1,886	11,450	—	11,450	2,329	13,780
1979	1,378	373	1,751	375	2,126	11,482	—	11,482	2,671	14,153
1980	1,492	389	1,881	411	2,292	11,530	—	11,530	3,011	14,540
Government departments					Total					
(Millions of dollars)										
1955	728	68	796	268	1,064	4,169	2,075	6,244	2,309	8,553
1956	932	80	1,012	282	1,294	5,273	2,761	8,034	2,520	10,554
1957	1,025	85	1,110	288	1,398	5,784	2,933	8,717	2,624	11,341
1958	1,014	104	1,118	314	1,432	5,830	2,534	8,364	2,614	10,978
1959	1,128	108	1,236	341	1,577	5,709	2,708	8,417	2,881	11,298
1960	1,171	103	1,274	383	1,657	5,453	2,809	8,262	2,985	11,247
1961	1,125	122	1,247	380	1,627	5,518	2,654	8,172	3,021	11,193
1962	1,130	128	1,258	388	1,646	5,787	2,928	8,715	3,161	11,876
1963	1,154	128	1,282	393	1,675	6,157	3,236	9,393	3,356	12,749
1964	1,303	157	1,460	402	1,862	7,004	3,940	10,944	3,631	14,575
1965	1,494	174	1,668	442	2,110	8,115	4,750	12,865	3,927	16,792
1966	1,702	222	1,924	526	2,450	9,283	5,807	15,090	4,365	19,455
1967	1,731	215	1,946	573	2,519	9,448	5,874	15,322	4,700	20,022
1968	1,679	230	1,909	604	2,513	9,909	5,546	15,455	5,018	20,473
1969	1,908	205	2,113	583	2,696	10,824	6,103	16,927	5,263	22,190
1970	2,001	200	2,201	592	2,793	11,319	6,479	17,798	5,667	23,465
1971	2,443	271	2,714	620	3,334	13,274	6,910	20,184	6,060	26,244
1972	2,731	317	3,048	615	3,663	14,470	7,748	22,218	6,574	28,792
1973	2,962	410	3,372	708	4,080	16,953	9,666	26,618	7,608	34,226
1974	3,751	551	4,302	819	5,121	20,771	12,111	32,882	9,189	42,072
1975	4,392	633	5,025	892	5,917	24,055	14,162	38,216	10,155	48,371
1976	4,440	607	5,047	960	6,007	28,144	15,492	43,636	11,775	55,411
1977	4,865	648	5,513	1,085	6,598	30,130	16,467	46,598	13,170	59,767
1978	5,129	710	5,839	1,151	6,990	31,912	18,448	50,360	14,695	65,055
1979	5,684	660	6,343	1,245	7,588	35,471	21,970	57,441	16,195	73,636
1980	5,976	725	6,701	1,307	8,007	38,797	25,540	64,337	17,716	82,053

Note: 1979 figures are actual, 1980 figures are preliminary actual.

⁽¹⁾ Totals differ from housing expenditures as shown in reference tables 3 to 6, in that the national income and expenditure totals include selling costs, principally real estate commissions.

Source: Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*, occasional, cat. 61-504; Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*, annual, cat. 61-206.

Reference Table 18
Private and Public Investment in Canada
1955 – 1980

Years	Capital expenditures					Capital expenditures				
	Construc- tion	Machinery and equipment	Sub- total	Repair expendi- tures	Total	Construc- tion	Machinery and equipment	Sub- total	Repair expendi- tures	Total
Primary and construction industries					Manufacturing					
(Percentage distribution)										
1955	27.4	43.4	70.9	29.1	100.0	23.6	41.2	64.9	35.1	100.0
1956	30.0	43.3	73.3	26.7	100.0	24.7	45.9	70.7	29.3	100.0
1957	31.9	41.1	73.0	27.0	100.0	24.9	45.8	70.7	29.3	100.0
1958	25.8	42.3	68.1	31.9	100.0	23.9	41.8	65.7	34.3	100.0
1959	24.9	42.6	67.5	32.5	100.0	20.7	42.6	63.3	36.7	100.0
1960	27.2	41.2	68.5	31.5	100.0	18.1	45.6	63.7	36.3	100.0
1961	33.2	37.1	70.3	29.7	100.0	15.8	45.6	61.4	38.6	100.0
1962	30.8	40.1	70.9	29.1	100.0	17.5	45.4	62.9	37.1	100.0
1963	29.0	42.6	71.6	28.4	100.0	16.4	46.5	62.9	37.1	100.0
1964	29.1	43.6	72.6	27.4	100.0	16.2	50.9	67.1	32.9	100.0
1965	31.7	41.9	73.6	26.4	100.0	18.2	52.4	70.6	29.4	100.0
1966	33.2	42.0	75.2	24.8	100.0	19.7	53.0	72.7	27.3	100.0
1967	31.9	42.6	74.5	25.5	100.0	18.3	50.3	68.7	31.3	100.0
1968	32.5	40.1	72.6	27.4	100.0	19.1	44.9	64.1	35.9	100.0
1969	34.3	37.7	71.9	28.1	100.0	19.8	46.8	66.6	33.4	100.0
1970	35.0	34.6	69.7	30.3	100.0	21.5	48.0	69.5	30.5	100.0
1971	37.1	34.9	72.0	28.0	100.0	19.5	47.4	66.9	33.1	100.0
1972	33.1	38.7	71.8	28.2	100.0	18.0	46.0	64.0	36.0	100.0
1973	32.3	38.6	70.9	29.1	100.0	17.6	48.0	65.7	34.3	100.0
1974	33.0	38.2	71.3	28.7	100.0	19.6	48.6	68.2	31.8	100.0
1975	32.7	40.0	72.6	27.4	100.0	19.7	49.6	69.3	30.7	100.0
1976	31.6	42.5	74.1	25.9	100.0	17.2	48.2	65.4	34.6	100.0
1977	34.5	39.5	74.0	26.0	100.0	17.8	47.6	65.4	34.6	100.0
1978	35.4	38.7	74.1	25.9	100.0	15.8	47.4	63.2	36.8	100.0
1979	38.0	38.3	76.3	23.7	100.0	14.8	50.4	65.3	34.7	100.0
1980	41.0	37.4	78.3	21.7	100.0	13.7	54.6	68.3	31.7	100.0
Utilities					Trade, finance and commercial services					
(Percentage distribution)										
1955	37.4	28.1	65.4	34.6	100.0	42.8	38.4	81.2	18.8	100.0
1956	45.2	28.1	73.4	26.6	100.0	43.7	37.9	81.6	18.4	100.0
1957	49.4	27.9	77.3	22.7	100.0	45.8	36.7	82.5	17.5	100.0
1958	50.1	26.7	76.8	23.2	100.0	46.5	36.3	82.8	17.2	100.0
1959	43.9	28.4	72.4	27.6	100.0	46.2	37.1	83.2	16.8	100.0
1960	43.2	28.1	71.3	28.7	100.0	44.7	39.2	83.9	16.1	100.0
1961	44.9	25.2	70.1	29.9	100.0	44.7	39.2	83.9	16.1	100.0
1962	42.1	26.5	68.6	31.4	100.0	42.8	41.2	84.0	16.0	100.0
1963	43.7	25.9	69.6	30.4	100.0	42.5	40.9	83.4	16.6	100.0
1964	46.2	25.2	71.5	28.5	100.0	44.3	39.9	84.2	15.8	100.0
1965	43.9	29.8	73.6	26.4	100.0	47.3	37.9	85.2	14.8	100.0
1966	43.0	32.5	75.6	24.4	100.0	48.5	37.6	86.0	14.0	100.0
1967	42.0	33.5	75.5	24.5	100.0	42.3	42.6	84.9	15.1	100.0
1968	41.4	33.7	75.1	24.9	100.0	40.1	43.0	83.1	16.9	100.0
1969	38.9	35.9	74.8	25.2	100.0	36.0	48.7	84.7	15.3	100.0
1970	42.2	32.7	74.9	25.1	100.0	36.8	47.6	84.4	15.6	100.0
1971	42.0	33.2	75.2	24.8	100.0	40.2	45.3	85.5	14.5	100.0
1972	41.7	33.1	74.8	25.2	100.0	40.4	47.7	88.2	11.8	100.0
1973	39.5	36.7	76.1	23.9	100.0	43.6	45.5	89.1	10.9	100.0
1974	38.3	37.4	75.7	24.3	100.0	45.1	44.3	89.5	10.5	100.0
1975	42.9	35.4	78.3	21.7	100.0	47.7	42.2	89.8	10.2	100.0
1976	40.8	35.3	76.1	23.9	100.0	45.4	42.5	87.9	12.1	100.0
1977	41.8	33.9	75.7	24.3	100.0	42.6	44.7	87.3	12.7	100.0
1978	40.4	35.2	75.6	24.4	100.0	40.4	47.0	87.4	12.6	100.0
1979	39.2	37.2	76.4	23.6	100.0	42.8	46.3	89.2	10.8	100.0
1980	40.0	36.3	76.3	23.7	100.0	42.4	47.0	89.5	10.5	100.0

Reference Table 18 (continued)
Private and Public Investment in Canada
1955 – 1980

Years	Capital expenditures					Capital expenditures				
	Construc- tion	Machinery and equipment	Sub- total	Repair expendi- tures	Total	Construc- tion	Machinery and equipment	Sub- total	Repair expendi- tures	Total
	Institutions					Housing ⁽¹⁾				
(Percentage distribution)										
1955	80.3	9.0	89.3	10.7	100.0	80.5	—	80.5	19.5	100.0
1956	79.1	9.5	88.5	11.5	100.0	81.3	—	81.3	18.7	100.0
1957	79.8	9.2	89.0	11.0	100.0	78.9	—	78.9	21.1	100.0
1958	80.0	10.0	90.0	10.0	100.0	81.4	—	81.4	18.6	100.0
1959	80.5	9.6	90.1	9.9	100.0	80.3	—	80.3	19.7	100.0
1960	77.6	11.3	89.0	11.0	100.0	76.1	—	76.1	23.9	100.0
1961	77.1	11.7	88.8	11.2	100.0	75.2	—	75.2	24.8	100.0
1962	80.1	11.5	91.6	8.4	100.0	75.6	—	75.6	24.4	100.0
1963	79.9	12.2	92.1	7.9	100.0	75.9	—	75.9	24.1	100.0
1964	76.2	14.5	90.7	9.3	100.0	77.9	—	77.9	22.1	100.0
1965	79.3	13.3	92.5	7.5	100.0	77.5	—	77.5	22.5	100.0
1966	78.6	14.2	92.8	7.2	100.0	76.7	—	76.7	23.3	100.0
1967	77.5	14.6	92.1	7.9	100.0	76.7	—	76.7	23.3	100.0
1968	77.7	14.6	92.3	7.7	100.0	78.2	—	78.2	21.8	100.0
1969	76.8	14.2	91.0	9.0	100.0	80	—	80.0	20.0	100.0
1970	75.8	14.9	90.7	9.3	100.0	78.3	—	78.3	21.7	100.0
1971	75.6	14.9	90.4	9.6	100.0	80.9	—	80.9	19.1	100.0
1972	71.6	16.2	87.9	12.1	100.0	82.1	—	82.1	17.9	100.0
1973	69.4	17.3	86.7	13.3	100.0	83.4	—	83.4	16.6	100.0
1974	69.2	17.9	87.1	12.9	100.0	82.9	—	82.9	17.1	100.0
1975	69.7	17.2	86.9	13.1	100.0	81.9	—	81.9	18.1	100.0
1976	67.1	18.2	85.3	14.7	100.0	85.7	—	85.7	14.3	100.0
1977	64.6	18.3	82.9	17.1	100.0	84.3	—	84.3	15.7	100.0
1978	62.6	19.2	81.8	18.2	100.0	83.1	—	83.1	16.9	100.0
1979	64.8	17.5	82.4	17.6	100.0	81.1	—	81.1	18.9	100.0
1980	65.1	17.0	82.1	17.9	100.0	79.3	—	79.3	20.7	100.0
Government departments					Total					
(Percentage distribution)										
1955	68.4	6.4	74.8	25.2	100.0	48.7	24.3	73.0	27.0	100.0
1956	72.0	6.2	78.2	21.8	100.0	50.0	26.2	76.1	23.9	100.0
1957	73.3	6.1	79.4	20.6	100.0	51.0	25.9	76.9	23.1	100.0
1958	70.8	7.3	78.1	21.9	100.0	53.1	23.1	76.2	23.8	100.0
1959	71.5	6.8	78.4	21.6	100.0	50.5	24.0	74.5	25.5	100.0
1960	70.7	6.2	76.9	23.1	100.0	48.5	25.0	73.5	26.5	100.0
1961	69.1	7.5	76.6	23.4	100.0	49.3	23.7	73.0	27.0	100.0
1962	68.7	7.8	76.4	23.6	100.0	48.7	24.7	73.4	26.6	100.0
1963	68.9	7.6	76.5	23.5	100.0	48.3	25.4	73.7	26.3	100.0
1964	70.0	8.4	78.4	21.6	100.0	48.1	27.0	75.1	24.9	100.0
1965	70.8	8.2	79.1	20.9	100.0	48.3	28.3	76.6	23.4	100.0
1966	69.5	9.1	78.5	21.5	100.0	47.7	29.8	77.6	22.4	100.0
1967	68.7	8.5	77.3	22.7	100.0	47.2	29.3	76.5	23.5	100.0
1968	66.8	9.2	76.0	24.0	100.0	48.4	27.1	75.5	24.5	100.0
1969	70.8	7.6	78.4	21.6	100.0	48.8	27.5	76.3	23.7	100.0
1970	71.6	7.2	78.8	21.2	100.0	48.2	27.6	75.9	24.1	100.0
1971	73.3	8.1	81.4	18.6	100.0	50.6	26.3	76.9	23.1	100.0
1972	74.6	8.7	83.2	16.8	100.0	50.3	26.9	77.2	22.8	100.0
1973	72.6	10.0	82.6	17.4	100.0	49.5	28.2	77.8	22.2	100.0
1974	73.2	10.8	84.0	16.0	100.0	49.4	28.8	78.2	21.8	100.0
1975	74.2	10.7	84.9	15.1	100.0	49.7	29.3	79.0	21.0	100.0
1976	73.9	10.1	84.0	16.0	100.0	50.8	28.0	78.7	21.3	100.0
1977	73.7	9.8	83.6	16.4	100.0	50.4	27.6	78.0	22.0	100.0
1978	73.4	10.2	83.5	16.5	100.0	49.1	28.4	77.4	22.6	100.0
1979	74.9	8.7	83.6	16.4	100.0	48.2	29.8	78.0	22.0	100.0
1980	74.6	9.1	83.7	16.3	100.0	47.3	31.1	78.4	21.6	100.0

Note: 1979 figures are actual, 1980 figures are preliminary actual.

(1) Totals differ from housing expenditures as shown in reference tables 3 to 6, in that the national income and expenditure totals include selling costs, principally real estate commissions.

Source: Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*.

Reference Table 19
Private and Public Investment by Region
Capital Expenditures
1955 – 1980

Years	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Atlantic region	Quebec
D	836852	836856	836863	836870	836940	836877
(Millions of dollars)						
1955	89	21	164	168	442	1,546
1956	94	24	183	186	487	1,851
1957	100	22	188	159	469	2,029
1958	107	30	185	182	504	2,054
1959	115	37	226	203	581	2,094
1960	146	37	234	180	597	2,007
1961	184	38	224	171	617	2,008
1962	261	43	223	179	706	2,154
1963	236	43	234	189	702	2,301
1964	231	39	270	257	797	2,828
1965	228	57	318	334	937	3,206
1966	340	57	411	390	1,198	3,441
1967	360	46	463	378	1,246	3,203
1968	387	41	461	330	1,219	3,175
1969	395	44	552	392	1,383	3,376
1970	503	54	607	471	1,635	3,418
1971	678	73	628	497	1,876	4,150
1972	607	72	613	487	1,779	4,824
1973	634	124	825	636	2,219	5,826
1974	698	118	893	976	2,685	7,398
1975	714	118	922	1,159	2,913	9,170
1976	829	111	1,041	1,177	3,159	9,813
1977	712	130	1,040	1,155	3,038	10,702
1978	784	172	1,190	1,310	3,456	10,794
1979	1,035	201	1,323	1,652	4,211	11,854
1980	1,057	183	1,457	1,454	4,151	12,354
	Ontario	Manitoba	Saskatchewan	Alberta	Prairie region	British Columbia ⁽¹⁾
	836884	836891	836898	836905	836947	
(Millions of dollars)						
1955	2,271	301	349	735	1,385	707
1956	2,842	364	485	901	1,750	1,089
1957	3,266	371	455	834	1,660	1,293
1958	3,104	409	477	890	1,776	925
1959	2,900	484	467	947	1,898	944
1960	2,856	487	474	946	1,907	895
1961	2,794	417	454	981	1,852	901
1962	3,054	424	513	937	1,874	927
1963	3,282	491	603	995	2,089	1,019
1964	3,747	528	648	1,100	2,276	1,296
1965	4,379	537	773	1,320	2,630	1,713
1966	5,289	651	921	1,553	3,124	2,037
1967	5,416	714	959	1,667	3,340	2,139
1968	5,579	820	943	1,723	3,486	1,996
1969	6,307	901	755	1,914	3,570	2,291
1970	6,928	871	603	1,957	3,431	2,386
1971	7,460	812	664	2,139	3,615	3,083
1972	8,237	970	824	2,383	4,177	3,201
1973	9,714	1,143	979	2,931	5,053	3,804
1974	11,816	1,379	1,262	3,831	6,472	4,511
1975	12,920	1,521	1,780	5,007	8,308	4,905
1976	13,948	1,812	2,180	7,002	10,995	5,722
1977	14,732	1,897	2,269	7,826	11,992	6,133
1978	15,561	2,018	2,393	9,431	13,842	6,706
1979	17,093	2,041	3,104	11,920	17,064	8,131
1980	18,861	1,981	3,276	14,374	19,631	10,414

Note: 1979 figures are actual, 1980 figures are preliminary actual.

⁽¹⁾ Includes the Yukon and the Northwest Territories.

Source: Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*.

Reference Table 20

Private Investment Capital Expenditures Excluding Housing by Region⁽¹⁾ 1961 – 1980

Years	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia ⁽²⁾
(Millions of dollars)						
1961	4,841	337	1,223	1,591	1,158	531
1962	5,036	406	1,238	1,729	1,120	542
1963	5,524	394	1,319	1,838	1,375	598
1964	6,685	466	1,656	2,220	1,504	840
1965	8,052	521	1,909	2,692	1,780	1,148
1966	9,781	702	2,225	3,313	2,145	1,396
1967	9,709	742	1,970	3,257	2,303	1,436
1968	9,318	689	1,853	3,123	2,381	1,271
1969	10,087	841	1,846	3,619	2,323	1,458
1970	11,148	1,052	1,883	4,341	2,300	1,570
1971	12,010	1,185	2,141	4,377	2,282	2,024
1972	13,132	1,056	2,719	4,696	2,744	1,916
1973	16,127	1,262	3,421	5,622	3,466	2,356
1974	20,232	1,492	4,468	7,058	4,453	2,762
1975	24,594	1,597	5,880	8,363	5,775	2,978
1976	26,252	1,653	5,676	8,409	7,298	3,216
1977	28,505	1,681	6,320	8,989	7,905	3,610
1978	31,528	1,928	6,782	9,802	8,934	4,082
1979	38,960	2,538	7,797	11,412	11,770	5,444
1980	46,999	2,571	8,500	13,556	14,398	6,975
(Per cent change)						
1962	4.0	20.4	1.2	8.7	-3.3	2.1
1963	9.7	-2.7	6.5	6.3	22.8	10.2
1964	21.0	18.2	25.5	20.8	9.4	40.5
1965	20.4	11.8	15.3	21.2	18.3	36.7
1966	21.5	34.6	16.5	23.1	20.5	21.6
1967	-0.7	5.8	-11.5	-1.7	7.4	2.9
1968	-4.0	-7.2	-5.9	-4.1	3.4	-11.5
1969	8.3	22.1	-0.4	15.9	-2.4	14.7
1970	10.5	25.1	2.0	20.0	-1.0	7.7
1971	7.7	12.6	13.7	0.8	-0.8	28.9
1972	9.3	-10.9	27.0	7.3	20.2	-5.3
1973	22.8	19.5	25.8	19.7	26.3	22.9
1974	25.5	18.2	30.6	25.5	28.5	17.2
1975	21.6	7.1	31.6	18.5	29.7	7.8
1976	6.7	3.5	-3.5	0.5	26.4	8.0
1977	8.6	1.7	11.3	6.9	8.3	12.3
1978	10.6	14.7	7.3	9.0	13.0	13.1
1979	23.6	31.6	15.0	16.4	31.7	33.4
1980	20.6	21.3	9.0	18.8	22.3	28.1

Note: 1979 figures are actual, 1980 figures are preliminary actual.

⁽¹⁾ Total private and public expenditures minus housing, institutions and government departments.

⁽²⁾ Includes the Yukon and the Northwest Territories.

Source: Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*.

Reference Table 21
Dwelling Starts, Completions and Under Construction
1947 – 1980

Years	Starts			Completions			Under construction ⁽¹⁾	
	Centres of 5,000 population and over ⁽²⁾	Other areas	Total	Centres of 5,000 population and over ⁽²⁾	Other areas	Total	Centres of 5,000 population and over ⁽²⁾	Total
(Number of units)								
1947.....	n.a.	n.a.	74,300	44,600	27,600	72,200	n.a.	42,200
1948.....	57,671	32,523	90,194	48,006	28,091	76,097	39,217	56,456
1949.....	58,370	32,139	90,509	60,262	27,971	88,233	37,344	59,503
1950.....	68,599	23,932	92,531	62,847	26,168	89,015	41,510	60,538
1951.....	47,374	21,205	68,579	61,167	20,143	81,310	26,783	45,926
1952.....	63,443	19,803	83,246	54,346	18,741	73,087	36,998	55,689
1953.....	80,313	22,096	102,409	73,375	23,464	96,839	42,808	59,923
1954.....	89,755	23,772	113,527	80,593	21,372	101,965	51,302	68,641
1955.....	97,386	40,890	138,276	93,942	33,987	127,929	53,677	79,339
1956.....	87,309	40,002	127,311	95,152	40,548	135,700	44,386	68,579
1957.....	84,875	37,465	122,340	80,995	36,288	117,283	49,508	72,573
1958.....	121,695	42,937	164,632	107,839	38,847	146,686	63,080	88,162
1959.....	105,991	35,354	141,345	108,059	37,612	145,671	59,879	81,905
1960.....	76,687	32,171	108,858	90,513	33,244	123,757	44,975	65,773
1961.....	92,741	32,836	125,577	83,148	32,460	115,608	53,195	73,583
1962.....	104,279	25,816	130,095	100,447	26,235	126,682	60,541	76,153
1963.....	120,950	27,674	148,624	101,529	26,662	128,191	79,233	96,613
1964.....	136,206	29,452	165,658	123,902	27,061	150,963	89,950	107,718
1965.....	138,779	27,786	166,565	125,475	27,562	153,037	101,786	119,854
1966.....	108,434	26,040	134,474	135,134	27,058	162,192	71,722	88,621
1967.....	131,858	32,265	164,123	120,163	29,079	149,242	82,616	102,716
1968.....	162,267	34,611	196,878	136,337	34,656	170,993	106,834	126,638
1969.....	169,739	40,676	210,415	159,089	36,737	195,826	114,386	137,357
1970.....	150,999	39,529	190,528	138,576	37,251	175,827	123,901	148,185
1971.....	180,948	52,705	233,653	155,892	45,340	201,232	145,885	177,257
1972.....	206,954	42,960	249,914	192,984	39,243	232,227	163,318	188,630
1973.....	211,543	56,986	268,529	197,513	49,068	246,581	174,852	207,236
1974.....	169,437	52,686	222,123	202,989	54,254	257,243	138,360	168,406
1975.....	181,846	49,610	231,456	170,325	46,639	216,964	146,517	176,599
1976.....	209,762	63,441	273,203	180,765	55,484	236,249	168,282	204,286
1977.....	200,201	45,523	245,724	206,217	45,572	251,789	158,216	185,599
1978.....	178,678	48,989	227,667	198,777	47,756	246,533	135,239	164,702
1979.....	151,717	45,332	197,049	178,604	47,885	226,489	103,414	128,601
1980.....	125,013	33,588	158,601	140,996	35,172	176,168	84,195	105,780

Note: Data for 1962 to 1966 are based on 1961 Census area definitions, for 1967 to 1971 on 1966 Census area definitions and since 1972 on 1971 Census area definitions.

(1) At end of period.

(2) Data for years after 1967 based on areas of 10,000 population and over.

Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*.

Reference Table 22
 Dwelling Starts and Completions, by Type
 1947 – 1980

Years	Starts					Completions				
	Single detached	Semi-detached and duplex	Row	Apartments	Total	Single detached	Semi-detached and duplex	Row	Apartments	Total
(Number of units)										
1947	n.a	n.a	n.a	n.a	74,263	n.a	n.a	n.a	n.a	72,218
1948	73,399	7,488	1,810	7,497	90,194	61,787	4,560	1,607	8,143	76,097
1949	71,425	7,536	0	11,548	90,509	68,966	7,309	485	11,473	88,233
1950	68,675	8,664	631	14,561	92,531	68,685	7,376	145	12,809	89,015
1951	53,002	5,658	54	9,865	68,579	60,366	7,568	585	12,791	81,310
1952	60,696	5,360	299	16,891	83,246	55,967	5,314	99	11,707	73,087
1953	70,782	7,202	553	23,872	102,409	68,916	7,714	372	19,837	96,839
1954	78,574	6,498	1,000	27,455	113,527	71,760	6,098	1,065	23,042	101,965
1955	99,003	10,606	1,909	26,758	138,276	90,553	8,278	1,547	27,551	127,929
1956	90,620	9,441	2,263	24,987	127,311	95,656	11,872	2,137	26,035	135,700
1957	82,955	9,272	2,214	27,899	122,340	81,096	8,464	2,350	25,373	117,283
1958	104,508	10,713	2,457	46,954	164,632	96,830	10,004	2,226	37,626	146,686
1959	92,178	10,468	1,908	36,791	141,345	95,455	10,923	2,308	36,985	145,671
1960	67,171	9,699	2,301	29,687	108,858	78,113	9,911	1,616	34,117	123,757
1961	76,430	11,650	1,864	35,633	125,577	76,171	10,593	2,019	26,825	115,608
1962	74,443	10,975	3,742	40,935	130,095	75,593	11,922	2,451	36,716	126,682
1963	77,158	7,891	3,895	59,680	148,624	71,585	7,150	3,487	45,969	128,191
1964	77,079	8,706	4,755	75,118	165,658	76,225	8,091	3,861	62,786	150,963
1965	75,441	7,924	5,306	77,894	166,565	75,104	8,730	4,097	65,106	153,037
1966	70,642	7,281	5,000	51,551	134,474	73,858	7,707	6,412	74,215	162,192
1967	72,534	9,939	7,392	74,258	164,123	73,631	9,089	5,431	61,091	149,242
1968	75,339	10,114	8,042	103,383	196,878	74,640	10,098	7,896	78,359	170,993
1969	78,404	10,373	10,721	110,917	210,415	78,584	10,483	7,827	98,932	195,826
1970	70,749	10,826	17,055	91,898	190,528	66,615	9,066	11,473	88,673	175,827
1971	98,056	13,751	15,659	106,187	233,653	82,978	12,518	16,795	88,941	201,232
1972	115,570	13,649	16,980	103,715	249,914	106,508	13,184	14,416	98,119	232,227
1973	131,552	13,235	17,291	106,451	268,529	122,696	13,479	14,832	95,574	246,581
1974	122,143	11,023	14,932	74,025	222,123	129,704	12,509	19,225	95,805	257,243
1975	123,929	15,403	21,763	70,361	231,456	113,409	12,303	16,095	75,157	216,964
1976	134,313	15,890	33,676	89,324	273,203	128,623	15,160	21,172	71,294	236,249
1977	108,403	18,373	26,621	92,327	245,724	117,792	17,281	31,561	85,155	251,789
1978	110,029	19,932	20,379	77,327	227,667	106,195	19,155	26,644	94,539	246,533
1979	109,117	16,296	13,249	58,387	197,049	112,105	18,071	18,860	77,453	226,489
1980	87,721	11,149	11,402	48,329	158,601	90,720	13,675	13,398	58,375	176,168

Note: See Note to Table 21.

Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*; Canada Mortgage and Housing Corporation, *Housing in Canada*.

Reference Table 23
Manufacturers' Inventories, Shipments and Orders
1961 – 1980

Years	Manufacturing					Durable manufacturing			Non-durable manufacturing		
	Ship- ments	New orders received	Unfilled orders	Total inven- tories held	Stock to sales ratio ⁽¹⁾	Ship- ments	New orders received	Unfilled orders	Ship- ments	New orders received	Unfilled orders
D	310000 310030	310060 310083	310106 310129	310152 310175		310022 310052	310082 310105	310128 310151	310021 310051	310081 310104	310127 310150
(Millions of dollars)											
1961	1,953	1,985	1,960	4,529	2.32	769	792	1,526	1,184	1,193	434
1962	2,149	2,158	2,177	4,867	2.26	883	894	1,747	1,267	1,264	430
1963	2,335	2,344	2,199	5,085	2.18	988	995	1,784	1,347	1,350	415
1964	2,571	2,601	2,497	5,436	2.11	1,121	1,151	2,069	1,451	1,450	428
1965	2,824	2,867	2,950	5,952	2.11	1,281	1,318	2,491	1,543	1,549	459
1966	3,109	3,181	3,656	6,475	2.08	1,421	1,489	3,141	1,687	1,692	515
1967	3,246	3,241	4,025	7,408	2.28	1,478	1,475	3,513	1,768	1,766	512
1968	3,505	3,508	4,794	7,446	2.12	1,633	1,628	3,384	1,872	1,880	577
1969	3,828	3,885	4,345	8,064	2.11	1,811	1,865	3,705	2,018	2,020	640
1970	3,865	3,849	4,722	8,611	2.23	1,785	1,767	3,860	2,080	2,082	863
1971	4,189	4,215	4,834	8,643	2.08	1,977	1,997	3,954	2,213	2,218	880
1972	4,687	4,736	5,049	9,197	1.97	2,222	2,265	4,097	2,465	2,471	952
1973	5,563	5,793	6,707	10,420	1.88	2,638	2,848	5,567	2,925	2,945	1,140
1974	6,871	7,125	10,063	13,674	1.99	3,136	3,386	8,699	3,735	3,739	1,363
1975	7,372	7,297	10,818	16,350	2.22	3,346	3,284	9,594	4,025	4,013	1,224
1976	8,190	8,117	10,043	17,420	2.13	3,749	3,667	8,807	4,442	4,450	1,236
1977	9,083	9,211	10,741	18,943	2.09	4,169	4,284	9,381	4,914	4,927	1,360
1978	10,771	11,028	12,737	20,873	1.94	5,010	5,235	11,035	5,760	5,793	1,701
1979	12,644	12,913	16,418	24,824	1.96	5,809	6,061	14,366	6,835	6,852	2,053
1980	13,816	13,906	18,803	29,311	2.12	6,051	6,119	16,649	7,765	7,786	2,154

⁽¹⁾ Ratio of total inventories held to shipments.

Source: Statistics Canada, *Inventories, Shipments and Orders in Manufacturing Industries*, monthly, cat. 31-001.

Reference Table 24
Indexes of Real Domestic Product by Industry
1950 – 1980
(1971 = 100)

Years	Real domestic product 100102 100441	Agriculture 100103 100442	Real domestic product less agriculture 100206 100545	Mines, quarries and oil wells 100106 100445	Manufacturing			Construction 100172 100511
					Total 100116 100455	Non-durable 100213 100552	Durable 100214 100553	
D								
1950.....	35.9	63.4	34.3	21.6	34.5	36.9	32.1	35.5
1951.....	38.7	72.4	36.6	24.3	37.5	38.7	36.2	35.8
1952.....	41.7	88.6	38.8	25.9	38.9	39.8	37.9	40.6
1953.....	43.4	81.0	41.2	28.2	41.7	42.6	40.8	45.5
1954.....	42.8	62.2	41.6	31.3	40.8	43.3	38.2	46.7
1955.....	47.2	76.8	45.5	37.0	44.7	46.5	43.1	51.9
1956.....	51.3	81.6	49.5	43.0	48.9	50.2	47.6	58.4
1957.....	51.5	68.6	50.6	47.2	48.8	51.4	46.2	63.5
1958.....	52.4	76.1	51.1	47.9	47.9	52.3	43.5	65.7
1959.....	55.1	73.7	54.1	54.2	51.4	55.9	46.9	62.5
1960.....	56.4	77.1	55.2	54.3	52.3	57.4	47.1	61.4
1961.....	57.5	66.8	57.2	55.7	54.4	60.2	48.6	63.3
1962.....	61.6	81.6	60.8	59.6	59.4	64.0	54.8	66.5
1963.....	65.0	91.5	63.9	62.2	63.4	67.3	59.5	67.8
1964.....	69.4	82.8	68.9	67.0	69.5	72.6	66.2	73.7
1965.....	74.5	85.3	74.0	70.5	75.8	76.5	75.1	81.5
1966.....	79.5	96.7	78.8	74.1	81.5	81.6	81.5	88.5
1967.....	82.3	78.9	82.4	79.9	83.9	84.0	83.9	87.1
1968.....	86.9	85.2	87.0	86.2	89.1	88.4	89.7	90.1
1969.....	92.2	90.6	92.3	86.9	95.8	94.8	96.8	92.5
1970.....	94.4	89.0	94.6	98.7	94.5	95.7	93.2	90.9
1971.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972.....	105.5	88.5	106.1	106.5	107.1	107.3	107.0	102.4
1973.....	113.6	93.7	114.3	119.3	117.6	114.6	120.6	107.5
1974.....	119.0	89.8	120.0	117.3	122.0	117.5	126.5	112.6
1975.....	119.8	98.0	120.6	107.1	114.3	112.0	116.6	116.7
1976.....	126.2	105.0	126.9	109.8	120.6	118.7	122.4	122.8
1977.....	129.7	105.8	130.6	114.3	122.2	120.4	124.1	121.8
1978.....	134.3	110.1	135.1	106.9	129.2	127.2	131.3	120.8
1979.....	138.5	108.1	139.5	116.3	134.2	133.8	134.5	123.2
1980.....	138.9	109.2	139.9	118.3	130.7	132.7	128.6	124.9

Reference Table 24 (continued)
Indexes of Real Domestic Product by Industry
1950 – 1980
(1971 = 100)

Year	Electric power, gas and water utilities	Transportation, storage and communication	Trade			Finance, insurance and real estate	Community, business and personal service	Public administration and defence
			Total	Wholesale	Retail			
D	100169 100508	100173 100512	100183 100522	100184 102523	100186 100525	100196 100535	100197 100536	100204 100543
1950.....	18.2	31.9	36.6	32.0	39.5	38.2	35.0	n.a.
1951.....	20.6	35.0	37.0	34.6	38.6	41.2	36.6	n.a.
1952.....	22.2	36.9	39.5	36.8	41.2	43.0	38.3	n.a.
1953.....	23.3	37.4	42.1	38.9	44.2	44.8	39.7	n.a.
1954.....	25.3	36.5	42.6	39.2	44.8	47.2	40.5	n.a.
1955.....	28.4	41.4	47.5	44.3	49.6	49.0	41.5	n.a.
1956.....	31.5	46.2	51.8	48.9	53.6	50.5	44.0	n.a.
1957.....	33.8	46.4	51.8	48.4	54.0	54.1	45.4	n.a.
1958.....	37.0	44.8	53.0	49.3	55.4	55.7	47.1	n.a.
1959.....	41.8	48.4	56.5	54.3	58.1	58.2	49.7	n.a.
1960.....	45.3	49.8	56.6	53.9	58.5	60.4	51.7	n.a.
1961.....	47.9	53.1	58.0	55.4	59.8	62.7	53.4	74.6
1962.....	50.5	55.7	61.8	59.2	63.5	65.1	56.7	76.7
1963.....	53.5	59.1	64.9	62.9	66.2	67.5	60.5	77.5
1964.....	58.0	64.4	69.8	69.4	70.1	71.9	64.9	78.7
1965.....	62.4	69.2	75.6	76.2	75.0	75.5	69.7	80.0
1966.....	67.9	73.1	80.2	81.8	79.1	78.8	75.0	82.7
1967.....	72.6	77.9	83.7	84.5	83.1	81.7	81.4	86.8
1968.....	78.2	82.8	87.1	87.7	86.6	86.7	85.7	89.1
1969.....	85.4	89.0	91.7	92.7	91.0	92.4	91.6	91.6
1970.....	93.3	94.2	93.2	93.9	92.6	94.6	95.5	95.2
1971.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972.....	111.4	107.0	109.2	108.1	110.0	106.0	104.2	104.3
1973.....	120.7	116.3	118.9	117.9	119.6	114.7	108.8	109.8
1974.....	130.2	124.0	128.0	126.6	129.0	120.6	115.0	114.0
1975.....	130.7	126.9	128.8	121.8	133.8	127.8	119.9	119.6
1976.....	142.6	134.4	134.9	126.3	140.8	135.5	126.3	123.0
1977.....	151.8	141.5	135.9	125.7	143.0	143.3	130.4	126.1
1978.....	158.9	147.6	140.6	130.5	147.7	148.6	135.1	129.1
1979.....	168.7	156.5	144.6	135.7	150.8	153.4	137.7	128.6
1980.....	173.3	159.1	141.8	131.3	149.1	159.3	139.2	128.7

Source: Statistics Canada, *Indexes of Real Domestic Product by Industry*, 1971 = 100, occasional, cat. 61-510; Statistics Canada, *Indexes of Real Domestic Product by Industry*, monthly, cat. 61-005.

Reference Table 25

Changes in the Indexes of Real Domestic Product by Industry
1950 – 1980

Years	Real domestic product	Agriculture	Real domestic product less agriculture	Mines, quarries and oil wells	Manufacturing			
					Total	Non-durable	Durable	Construction
(Per cent change)								
1950	6.8	9.3	6.9	9.6	6.5	7.0	6.6	7.9
1951	7.8	14.2	6.7	12.5	8.7	4.9	12.8	0.8
1952	7.8	22.4	6.0	6.6	3.7	2.8	4.7	13.4
1953	4.1	-8.6	6.2	8.9	7.2	7.0	7.7	12.1
1954	-1.4	-23.2	1.0	11.0	-2.2	1.6	-6.4	2.6
1955	10.3	23.4	9.4	18.2	9.6	7.4	12.8	11.1
1956	8.7	6.2	8.8	16.2	9.4	8.0	10.4	12.5
1957	0.4	-15.9	2.2	9.8	-0.2	2.4	-2.9	8.7
1958	1.7	10.9	1.0	1.5	-1.8	1.8	-5.8	3.5
1959	5.2	-3.2	5.9	13.2	7.3	6.9	7.8	-4.9
1960	2.4	4.6	2.0	0.2	1.8	2.7	0.4	-1.8
1961	2.0	-13.4	3.6	2.6	4.0	4.9	3.2	3.1
1962	7.1	22.2	6.3	7.0	9.2	6.3	12.8	5.1
1963	5.5	12.1	5.1	4.4	6.7	5.2	8.6	2.0
1964	6.8	-9.5	7.8	7.7	9.6	7.9	11.3	8.7
1965	7.3	3.0	7.4	5.2	9.1	5.4	13.4	10.6
1966	6.7	13.4	6.5	5.1	7.5	6.7	8.5	8.6
1967	3.5	-18.4	4.6	7.8	2.9	2.9	2.9	-1.6
1968	5.6	8.0	5.6	7.9	6.2	5.2	6.9	3.4
1969	6.1	6.3	6.1	0.8	7.5	7.2	7.9	2.7
1970	2.4	-1.8	2.5	13.6	-1.4	0.9	-3.7	-1.7
1971	5.9	12.4	5.7	1.3	5.8	4.5	7.3	10.0
1972	5.5	-11.5	6.1	6.5	7.1	7.3	7.0	2.4
1973	7.7	5.9	7.7	12.0	9.8	6.8	12.7	5.0
1974	4.8	-4.2	5.0	-1.7	3.7	2.5	4.9	4.7
1975	0.7	9.1	0.5	-8.7	-6.3	-4.7	-7.8	3.6
1976	5.3	7.1	5.2	2.5	5.5	6.0	5.0	5.2
1977	2.8	0.8	2.9	4.1	1.3	1.4	1.4	-0.8
1978	3.5	4.1	3.4	-6.5	5.7	5.6	5.8	-0.8
1979	3.1	-1.9	3.3	8.8	3.9	5.2	2.4	2.0
1980	0.3	1.0	0.3	1.7	-2.6	-0.8	-4.4	1.4

Reference Table 25 (continued)
Changes in the Indexes of Real Domestic Product by Industry
1950 – 1980

Years	Electric power, gas and water utilities	Transportation, storage and communication	Trade			Finance, insurance and real estate	Community, business and personal service	Public administration and defence
			Total	Wholesale	Retail			
(Per cent change)								
1950	11.7	3.2	7.3	3.9	9.1	5.5	3.2	n.a.
1951	13.2	9.7	1.1	8.1	-2.3	7.9	4.6	n.a.
1952	7.8	5.4	6.8	6.4	6.7	4.4	4.6	n.a.
1953	5.0	1.4	6.6	5.7	7.3	4.2	3.7	n.a.
1954	8.6	-2.4	1.2	0.8	1.4	5.4	2.0	n.a.
1955	12.3	13.4	11.5	13.0	10.7	3.8	2.5	n.a.
1956	10.9	11.6	9.1	10.4	8.1	3.1	6.0	n.a.
1957	7.3	0.4	0.0	-1.0	0.7	7.1	3.2	n.a.
1958	9.5	-3.4	2.3	1.9	2.6	3.0	3.7	n.a.
1959	13.0	8.0	6.6	10.1	4.9	4.5	5.5	n.a.
1960	8.4	2.9	0.2	-0.7	0.7	3.8	4.0	n.a.
1961	5.7	6.6	2.5	2.8	2.2	3.8	3.3	n.a.
1962	5.4	4.9	6.6	6.8	6.2	3.8	6.2	2.8
1963	5.9	6.1	5.0	6.2	4.3	3.7	6.7	1.0
1964	8.4	9.0	7.6	10.3	5.9	6.5	7.3	1.5
1965	7.6	7.4	8.3	9.8	7.0	5.0	7.4	1.7
1966	8.8	5.6	6.1	7.3	5.5	4.4	7.6	3.4
1967	6.9	6.6	4.4	3.3	5.1	3.7	8.5	5.0
1968	7.7	6.3	4.1	3.8	4.2	6.1	5.3	2.6
1969	9.2	7.5	5.3	5.7	5.1	6.6	6.9	2.8
1970	9.3	5.8	1.6	1.3	1.8	2.4	4.3	3.9
1971	7.2	6.2	7.3	6.5	8.0	5.7	4.7	5.0
1972	11.4	7.0	9.2	8.1	10.0	6.0	4.2	4.3
1973	8.3	8.7	8.9	9.1	8.7	8.2	4.4	5.3
1974	7.9	6.6	7.7	7.4	7.9	5.1	5.7	3.8
1975	0.4	2.3	0.6	-3.8	3.7	6.0	4.3	4.9
1976	9.1	5.9	4.7	3.7	5.2	6.0	5.3	2.8
1977	6.5	5.3	0.7	-0.5	1.6	5.8	3.2	2.5
1978	4.7	4.3	3.5	3.8	3.3	3.7	3.6	2.4
1979	6.2	6.0	2.8	4.0	2.1	3.2	1.9	-0.3
1980	2.7	1.7	-1.9	-3.2	-1.1	3.8	1.1	0.1

Source: Statistics Canada, *Indexes of Real Domestic Product by Industry* (1971 = 100).

Reference Table 26

Indexes of Real Domestic Product by Major Industrial Grouping

1950 – 1980

(1971 = 100)

Years	Commercial industries	Commercial industries less agriculture	Goods- producing industries	Goods- producing industries less agriculture	Service- producing industries	Non- commercial industries	Index of industrial production
D	100210 100549	100211 100550	100207 100546	100208 100547	100209 100548	100212 100551	100205 100544
1950	35.7	33.9	35.4	32.0	36.3	n.a.	30.9
1951	38.5	36.2	38.8	34.7	38.4	n.a.	33.8
1952	41.3	38.1	42.1	36.4	40.8	n.a.	35.2
1953	43.0	40.4	43.8	39.3	42.8	n.a.	37.8
1954	42.1	40.8	41.8	39.5	43.6	n.a.	37.8
1955	46.8	44.8	47.3	43.8	46.8	n.a.	41.9
1956	51.0	49.1	52.0	48.6	50.0	n.a.	46.3
1957	51.1	50.1	51.5	49.6	51.2	n.a.	47.1
1958	51.9	50.4	52.3	49.6	52.2	n.a.	46.8
1959	54.6	53.5	54.8	52.7	55.1	n.a.	50.8
1960	55.8	54.6	56.0	53.7	56.4	n.a.	51.9
1961	57.0	56.5	56.6	55.6	58.3	61.0	54.0
1962	61.1	60.2	61.8	60.0	61.3	64.0	58.6
1963	64.6	63.4	65.7	63.4	64.3	67.0	62.3
1964	69.3	68.6	70.2	69.1	68.7	70.2	68.0
1965	74.6	74.1	76.0	75.2	73.1	73.3	73.8
1966	79.8	79.0	82.1	80.8	77.4	77.5	79.2
1967	82.1	82.2	82.8	83.2	81.9	83.3	82.3
1968	86.7	86.8	88.0	88.2	86.0	87.6	87.6
1969	92.3	92.3	93.4	93.7	91.2	92.1	93.6
1970	94.1	94.3	94.2	94.7	94.5	96.0	94.9
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	106.2	107.0	104.9	106.3	106.0	102.6	107.5
1973	115.4	116.4	114.3	116.1	113.2	105.9	118.1
1974	121.2	122.6	117.6	120.1	119.9	109.0	122.2
1975	121.5	122.5	113.3	114.7	124.3	112.5	114.9
1976	128.6	129.6	119.7	121.0	130.6	115.6	121.2
1977	132.5	133.7	121.8	123.2	135.2	117.6	123.9
1978	137.7	148.9	125.8	127.2	140.0	119.4	129.0
1979	142.7	144.2	130.5	132.5	143.9	119.8	135.0
1980	143.2	144.7	129.2	131.1	145.4	120.0	132.9

Reference Table 26 (continued)
Indexes of Real Domestic Product by Major Industrial Grouping
1950 – 1980

Years	Commercial industries	Commercial industries less agriculture	Goods-producing industries	Goods-producing industries less agriculture	Service-producing industries	Non-commercial industries	Index of industrial production
(Per cent change)							
1950	7.2	6.9	8.3	8.1	5.2	n.a.	7.3
1951	7.8	6.8	9.6	8.4	5.8	n.a.	9.4
1952	7.3	5.2	8.5	4.9	6.3	n.a.	4.1
1953	4.1	6.0	4.0	8.0	4.9	n.a.	7.4
1954	-2.1	1.0	-4.6	0.5	1.9	n.a.	0.0
1955	11.1	9.8	13.2	10.9	7.3	n.a.	10.8
1956	9.0	9.6	9.9	11.0	6.8	n.a.	10.5
1957	0.2	2.0	-1.0	2.1	2.4	n.a.	1.7
1958	1.6	0.6	1.6	0.0	2.0	n.a.	-0.6
1959	5.2	6.2	4.8	6.3	5.6	n.a.	8.5
1960	2.2	2.1	2.2	1.9	2.4	n.a.	2.2
1961	2.2	3.5	1.1	3.5	3.4	n.a.	4.0
1962	7.2	6.5	9.2	7.9	5.1	4.9	8.5
1963	5.7	5.3	6.3	5.7	4.9	4.7	6.3
1964	7.3	8.2	6.8	9.0	6.8	4.8	9.1
1965	7.6	8.0	8.3	8.8	6.4	4.4	8.5
1966	7.0	6.6	8.0	7.4	5.9	5.7	7.3
1967	2.9	4.0	0.9	3.0	5.8	7.5	3.9
1968	5.6	5.6	6.3	6.0	5.0	5.2	6.4
1969	6.5	6.3	6.1	6.2	6.0	5.1	6.8
1970	2.0	2.2	0.9	1.1	3.6	4.2	1.4
1971	6.3	6.0	6.2	5.6	5.8	4.2	5.4
1972	6.2	7.0	4.9	6.3	6.0	2.6	7.5
1973	8.7	8.8	9.0	9.2	6.8	3.2	9.9
1974	5.0	5.3	2.9	3.4	5.9	2.9	3.5
1975	0.2	-0.1	-3.7	-4.5	3.7	3.2	-6.0
1976	5.8	5.8	5.6	5.5	5.1	2.8	5.5
1977	3.0	3.2	1.8	1.8	3.5	1.7	2.2
1978	3.9	3.9	3.3	3.2	3.6	1.5	4.1
1979	3.6	3.8	3.7	4.2	2.8	0.3	4.7
1980	0.4	0.3	-1.0	-1.1	1.0	0.2	-1.6

Source: Statistics Canada, *Index of Real Domestic Product by Industry* (1971 = 100).

Reference Table 27
Main Components of the Labour Market⁽¹⁾
1966 – 1980⁽²⁾

Years	Population 15 years and over	Labour force			Employment			Unem- ployment	Total immigration	Immigrants destined to the labour force
		Total	Male	Female	Total	Male	Female			
D	767284 —	767285 767606	767417 767681	767549 767748	767286 767608	767418 767683	767550 767750	767287 767609	55	66
(Thousands of persons)										
1966	13,083	7,493	5,147	2,346	7,242	4,975	2,267	251	195	99
1967	13,444	7,747	5,261	2,485	7,451	5,058	2,393	296	223	120
1968	13,805	7,951	5,354	2,597	7,593	5,110	2,483	358	184	95
1969	14,162	8,194	5,465	2,728	7,832	5,230	2,601	362	162	84
1970	14,528	8,395	5,571	2,824	7,919	5,260	2,660	476	148	78
1971	14,872	8,639	5,667	2,972	8,104	5,329	2,775	535	122	61
1972	15,186	8,897	5,797	3,100	8,345	5,460	2,885	553	122	59
1973	15,526	9,276	5,973	3,303	8,761	5,678	3,083	515	184	92
1974	15,924	9,639	6,163	3,477	9,125	5,870	3,255	514	218	106
1975	16,323	9,974	6,294	3,680	9,284	5,903	3,381	690	188	81
1976	16,706	10,206	6,369	3,837	9,479	5,965	3,515	727	149	61
1977	17,057	10,498	6,505	3,993	9,648	6,031	3,617	850	115	48
1978	17,382	10,882	6,650	4,232	9,972	6,148	3,824	911	86	35
1979	17,691	11,207	6,799	4,408	10,369	6,347	4,022	838	112	48
1980	18,005	11,522	6,909	4,613	10,655	6,430	4,225	867	142	63
(Per cent change)										
1967	2.8	3.4	2.2	5.9	2.9	1.7	5.6	45	28	20
1968	2.7	2.6	1.8	4.5	1.9	1.0	3.8	62	-39	-24
1969	2.6	3.1	2.1	5.0	3.1	2.3	4.8	4	-22	-11
1970	2.6	2.5	1.9	3.5	1.1	0.6	2.3	114	-14	-7
1971	2.4	2.9	1.7	5.2	2.3	1.3	4.3	59	-26	-16
1972	2.1	3.0	2.3	4.3	3.0	2.5	4.0	18	0	-2
1973	2.2	4.3	3.0	6.5	5.0	4.0	6.9	-38	62	33
1974	2.6	3.9	3.2	5.2	4.2	3.4	5.6	-1	34	14
1975	2.5	3.5	2.1	5.9	1.7	0.6	3.9	175	-31	-25
1976	2.3	2.3	1.2	4.3	2.1	1.0	4.0	37	-38	-20
1977	2.1	2.9	2.1	4.1	1.8	1.1	2.9	124	-35	-14
1978	1.9	3.7	2.2	6.0	3.4	1.9	5.7	60	-29	-12
1979	1.8	3.0	2.2	4.2	4.0	3.2	5.2	-72	26	13
1980	1.8	2.8	1.6	4.7	2.8	1.3	5.0	29	30	15

⁽¹⁾ Small differences in totals may arise due to rounding.

⁽²⁾ Labour Force Survey data were first collected under the revised Labour Force Survey in January, 1975. In January, 1976, the Revised Survey replaced the former Survey. Revised data have been estimated back to 1966. The former Labour Force Survey data (1954-1975) may be found in the 1976 edition of this Review.

Source: Statistics Canada. *The Labour Force, and Historical Labour Force Statistics*, annual, cat. 71-201; Department of Employment and Immigration, *Immigration Statistics. Quarterly Immigration Bulletin*.

Reference Table 28

Participation and Unemployment Rates by Sex and Age Groups 1966 – 1980⁽¹⁾

Years	Participation rates						
	Male			Female			Total
	Total	15-24	25+	Total	15-24	25+	
D	767420 767685	767430 676697	767389 767656	767552 767752	767562 767763	767521 767730	767288 767610
(Per cent)							
1966	79.8	64.1	84.9	35.4	48.4	31.2	57.3
1967	79.3	64.1	84.5	36.5	49.1	32.3	57.6
1968	78.6	63.3	84.0	37.1	49.8	32.8	57.6
1969	78.3	62.7	83.8	38.0	50.2	33.8	57.9
1970	77.8	62.4	83.3	38.3	49.4	34.5	57.8
1971	77.3	62.7	82.7	39.4	50.8	35.4	58.1
1972	77.5	64.3	82.3	40.2	51.8	36.2	58.6
1973	78.2	66.7	82.3	41.9	54.2	37.6	59.7
1974	78.7	68.9	82.2	43.0	56.0	38.5	60.5
1975	78.4	68.8	81.9	44.3	56.8	40.0	61.1
1976	77.6	67.9	81.1	45.2	56.8	41.1	61.1
1977	77.6	68.8	80.9	46.0	57.5	42.1	61.5
1978	77.9	69.7	81.0	47.8	68.9	44.0	62.6
1979	78.4	71.4	80.9	48.9	61.0	44.9	63.3
1980	78.3	72.0	80.5	50.3	62.6	46.2	64.0
Unemployment rates							
	Male			Female			Total
	Total	15-24	25+	Total	15-24	25+	
	767421 767686	767431 767698	767390 767657	767553 767753	767563 767764	767522 767731	767289 767611
(Per cent)							
1966	3.3	6.3	2.6	3.4	4.8	2.7	3.4
1967	3.9	7.2	3.0	3.7	5.5	2.8	3.8
1968	4.6	8.7	3.5	4.4	6.5	3.7	4.4
1969	4.3	8.3	3.2	4.7	6.5	3.7	4.4
1970	5.6	11.2	4.1	5.8	8.5	4.4	5.7
1971	6.0	12.1	4.3	6.6	9.8	5.0	6.2
1972	5.8	11.9	4.1	7.0	9.5	5.7	6.2
1973	4.9	10.1	3.4	6.7	9.2	5.4	5.5
1974	4.8	9.6	3.3	6.4	8.9	5.1	5.3
1975	6.2	12.5	4.3	8.1	11.4	6.5	6.9
1976	6.3	13.3	4.2	8.4	12.1	6.6	7.1
1977	7.3	14.9	4.9	9.4	13.8	7.4	8.1
1978	7.6	15.1	5.2	9.6	13.9	7.7	8.4
1979	6.6	13.3	4.5	8.8	12.7	7.0	7.5
1980	6.9	13.8	4.8	8.4	12.7	6.5	7.5

⁽¹⁾ See note 2 on reference table 27.

Source: Statistics Canada, *The Labour Force and Historical Labour Force Statistics*.

Reference Table 29
Participation Rates, Canada and by Region
1966 – 1980⁽¹⁾

Years	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia
D	767860 767610		769841 769760	769904 769763		769922 769172
(Labour force as a percentage of population 15 years and over)						
1966	57.3	50.4	56.0	59.8	58.3	56.7
1967	57.6	50.4	56.4	60.2	58.3	57.5
1968	57.6	50.0	55.6	60.3	59.5	57.6
1969	57.9	49.9	55.9	60.5	59.7	58.2
1970	57.8	49.3	55.4	60.5	60.0	58.7
1971	58.1	49.8	56.0	60.9	60.0	58.3
1972	58.6	50.5	55.9	61.7	60.8	58.8
1973	59.7	52.3	57.6	62.4	61.8	59.6
1974	60.5	53.4	58.0	63.4	62.6	60.3
1975	61.1	53.5	58.5	64.1	63.0	61.1
1976	61.1	53.4	58.3	63.9	63.8	61.3
1977	61.5	53.7	58.9	64.3	64.3	61.5
1978	62.6	54.9	59.7	65.5	65.3	62.6
1979	63.3	55.5	60.1	66.6	66.3	62.7
1980	64.0	56.2	61.0	66.8	67.1	63.7

⁽¹⁾ See note 2 on reference table 27.

Source: Statistics Canada, *The Labour Force*, and *Historical Labour Force Statistics*.

Reference Table 30
Labour Force, Canada and by Region
1966 – 1980⁽¹⁾

Years	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia
D	767870 774020		769838 768475	769901 768645		769919 769230						
	(Thousands of persons)						(Per cent change)					
1966.....	7,493	615	2,113	2,787	1,262	716	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1967.....	7,747	626	2,185	2,891	1,286	759	3.4	1.8	3.4	3.8	1.9	6.0
1968.....	7,951	635	2,205	2,980	1,342	789	2.6	1.5	0.9	3.1	4.3	4.0
1969.....	8,194	647	2,264	3,077	1,376	830	3.1	1.9	2.7	3.3	2.6	5.2
1970.....	8,395	652	2,288	3,177	1,407	871	2.5	0.7	1.1	3.2	2.2	5.0
1971.....	8,639	673	2,347	3,290	1,429	899	2.9	3.3	2.6	3.6	1.6	3.2
1972.....	8,897	696	2,383	3,410	1,471	938	3.0	3.4	1.5	3.6	2.9	4.3
1973.....	9,276	736	2,499	3,532	1,522	987	4.3	5.8	4.9	3.6	3.5	5.2
1974.....	9,639	767	2,570	3,686	1,576	1,040	3.9	4.1	2.8	4.4	3.6	5.4
1975.....	9,974	787	2,647	3,818	1,635	1,087	3.5	2.6	3.0	3.6	3.7	4.5
1976.....	10,206	805	2,689	3,885	1,712	1,116	2.3	2.3	1.6	1.7	4.7	2.6
1977.....	10,498	829	2,756	3,994	1,775	1,144	2.9	2.9	2.5	2.8	3.7	2.5
1978.....	10,882	864	2,827	4,147	1,852	1,192	3.7	4.2	2.6	3.8	4.3	4.2
1979.....	11,207	892	2,878	4,289	1,926	1,223	3.0	3.2	1.8	3.4	4.0	2.6
1980.....	11,522	919	2,959	4,366	2,000	1,278	2.8	3.1	2.8	1.8	3.8	4.5

⁽¹⁾ See note 2 on reference table 27.

Source: Statistics Canada, *The Labour Force, and Historical Labour Force Statistics*.

Reference Table 31
Employment, Canada and by Region
1966 – 1980⁽¹⁾

Years	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia
D	767888 774027		769839 768476	769902 768646		769920 769231						
	(Thousands of persons)						(Per cent change)					
1966.....	7,242	583	2,027	2,714	1,233	684	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1967.....	7,451	593	2,085	2,799	1,254	720	2.9	1.5	2.8	3.1	1.7	5.3
1968.....	7,593	598	2,081	2,873	1,299	742	1.9	0.9	-0.2	2.6	3.5	3.1
1969.....	7,832	607	2,126	2,979	1,331	788	3.1	1.5	2.2	3.7	2.5	6.2
1970.....	7,919	612	2,128	3,038	1,337	804	1.1	0.8	0.1	2.0	0.4	2.1
1971.....	8,104	626	2,176	3,113	1,356	834	2.3	2.3	2.2	2.5	1.4	3.7
1972.....	8,345	642	2,205	3,239	1,394	865	3.0	2.5	1.4	4.1	2.8	3.7
1973.....	8,761	679	2,330	3,380	1,451	920	5.0	5.9	5.7	4.4	4.1	6.4
1974.....	9,125	702	2,401	3,523	1,523	976	4.2	3.3	3.0	4.2	5.0	6.0
1975.....	9,284	710	2,434	3,576	1,571	995	1.7	1.1	1.4	1.5	3.1	1.9
1976.....	9,479	718	2,456	3,645	1,641	1,020	2.1	1.1	0.9	1.9	4.5	2.5
1977.....	9,648	725	2,473	3,714	1,690	1,047	1.8	1.0	0.7	1.9	3.0	2.7
1978.....	9,972	756	2,520	3,847	1,756	1,093	3.4	4.3	1.9	3.6	3.9	4.4
1979.....	10,369	786	2,602	4,009	1,843	1,129	4.0	4.1	3.3	4.2	4.9	3.3
1980.....	10,655	817	2,667	4,066	1,914	1,191	2.8	3.8	2.5	1.4	3.9	5.5

⁽¹⁾ See note 2 on reference table 27.

Source: Statistics Canada, *The Labour Force*, and *Historical Labour Force Statistics*.

Reference Table 32
Estimates of Employees by Industry
1961 – 1980

Years	Non-agri- cultural total	Mines, quarries and oil wells	Manu- facturing	Con- struction	Transpor- tation, storage and communi- cations	Trade	Finance, insurance and real estate	Communi- ty business and personal services	Public administra- tion and defence
(Thousands)									
1961	4,710	108	1,310	284	581	758	196	1,068	331
1962	4,914	109	1,371	301	584	791	207	1,129	341
1963	5,088	107	1,420	308	592	821	220	1,199	345
1964	5,331	108	1,486	329	609	854	231	1,280	352
1965	5,611	115	1,554	363	626	898	240	1,370	362
1966	5,904	117	1,637	387	644	944	248	1,467	375
1967	6,082	119	1,641	376	659	965	265	1,575	399
1968	6,212	121	1,638	372	646	1,002	282	1,668	408
1969	6,464	120	1,678	379	661	1,057	299	1,776	420
1970	6,566	129	1,648	366	667	1,081	305	1,850	449
1971	6,695	127	1,639	387	685	1,107	311	1,896	474
1972	7,009	123	1,678	394	699	1,185	343	2,009	501
1973	7,397	127	1,775	428	719	1,262	373	2,104	536
1974	7,769	132	1,838	446	764	1,347	406	2,205	559
1975	7,874	131	1,755	451	764	1,381	423	2,310	593
1976	8,007	136	1,773	455	779	1,401	434	2,358	606
1977	8,227	142	1,775	467	795	1,414	472	2,470	621
1978	8,392	140	1,804	436	803	1,467	488	2,545	633
1979	8,691	151	1,874	465	820	1,516	502	2,656	625
1980	8,882	170	1,852	456	843	1,558	517	2,767	636
(Per cent change)									
1962	4.3	1.3	4.6	6.1	0.5	4.4	5.7	5.7	3.0
1963	3.5	-2.0	3.6	2.3	1.4	3.8	6.0	6.1	1.0
1964	4.8	1.1	4.6	6.5	2.8	4.0	5.4	6.8	2.2
1965	5.3	6.3	4.6	10.4	2.8	5.2	3.8	7.0	2.6
1966	5.2	2.2	5.3	6.6	2.9	5.0	3.4	7.1	3.6
1967	3.0	1.4	0.2	-2.9	2.3	2.6	6.7	7.3	6.4
1968	2.1	1.5	-0.2	-1.0	-1.9	3.5	6.5	5.9	2.3
1969	4.0	-0.8	2.4	1.7	2.2	5.5	5.9	6.5	2.9
1970	1.6	7.4	-1.8	-3.3	1.0	2.2	2.1	4.1	7.0
1971	2.0	-1.6	-0.5	5.9	2.6	2.4	1.7	2.5	5.5
1972	3.1	-2.2	2.4	1.8	1.9	5.0	5.3	3.3	5.0
1973	5.0	2.4	5.8	8.6	3.1	8.7	14.0	7.4	8.2
1974	4.6	4.0	3.5	4.2	6.2	6.7	8.6	4.8	4.2
1975	3.8	-0.4	-4.5	1.2	0.0	2.5	4.3	4.8	5.4
1976	1.7	3.8	1.0	0.9	2.0	1.5	2.7	2.1	2.4
1977	2.7	3.8	0.1	2.6	2.0	0.9	8.7	4.7	2.4
1978	2.0	-1.4	1.6	-6.5	1.0	3.8	3.4	3.0	2.0
1979	3.6	8.0	3.9	6.6	2.2	3.4	2.9	4.4	-1.4
1980	2.2	12.6	-1.2	-1.8	2.8	2.8	2.9	4.1	1.7

Source: Statistics Canada, *Estimates of Employees by Province and Industry*, cat. 72-008.

Reference Table 33
Unemployment, Canada and by Region⁽¹⁾
1966 – 1980⁽¹⁾

Years	Unemployed						Unemployment rate					
	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia
D	767891 767609		769840 768477	769903 767647		769921 769232	767863 767611		769842 768478	769905 768648		769923 769233
	(Thousands of persons)						(Per cent)					
1966	251	33	86	72	30	33	3.4	5.4	4.1	2.6	2.4	4.6
1967	296	33	100	92	30	39	3.8	5.3	4.6	3.2	2.3	5.1
1968	358	38	124	107	43	47	4.5	6.0	5.6	3.6	3.2	5.9
1969	362	40	137	99	45	42	4.4	6.2	6.1	3.2	3.3	5.1
1970	476	40	160	139	70	67	5.7	6.2	7.0	4.4	4.9	7.7
1971	535	46	171	178	74	65	6.2	7.0	7.3	5.4	5.2	7.2
1972	553	54	178	171	78	73	6.2	7.7	7.5	5.0	5.3	7.8
1973	515	57	169	152	71	66	5.5	7.8	6.8	4.3	4.7	6.7
1974	514	65	169	164	53	64	5.3	8.4	6.6	4.4	3.4	6.2
1975	690	77	214	242	65	92	6.9	9.8	8.1	6.3	3.9	8.5
1976	727	88	233	240	71	96	7.1	10.9	8.7	6.2	4.1	8.6
1977	850	104	284	279	86	97	8.1	12.6	10.3	7.0	4.9	8.5
1978	911	108	307	300	96	98	8.4	12.5	10.9	7.2	5.2	8.3
1979	838	105	277	280	83	94	7.5	11.8	9.6	6.5	4.3	7.7
1980	867	102	292	300	86	87	7.5	11.2	9.9	6.9	4.3	6.8

⁽¹⁾ See note 2 on reference table 27.

Source: Statistics Canada, *The Labour Force, and Historical Labour Force Statistics*.

Reference Table 34
Unemployed Persons by Family Status, Canada
1960 – 1980⁽¹⁾

Years	Members of family units						Members of family units					
	Total un-employed	Total	Heads of units	Single son or daughter	Other relatives	Non-members of family units	Total un-employed	Total	Heads of units	Single son or daughter	Other relatives	Non-members of family units
D	767287	773576	773577	773579	773580	773581						
(Thousands of persons, annual averages)							(Change)					
Former Labour Force Survey												
1960 ⁽²⁾	349	314	142	132	121	36						
1961	497	454	230	168	56	43	148	140	88	36	-65	7
1962	405	371	187	138	45	35	-92	-83	-43	-30	-11	-8
1963	390	357	174	132	51	34	-15	-14	-13	-6	6	-1
1964	348	319	148	123	47	30	-42	-38	-26	-9	-4	-4
1965	298	273	127	105	41	25	-50	-46	-21	-18	-6	-5
1966	274	252	113	101	37	23	-24	-21	-14	-4	-4	-2
1967	321	294	134	114	46	27	47	42	21	13	9	4
1968	390	354	155	144	55	36	69	60	21	30	9	9
1969	391	359	146	150	63	32	1	5	-9	6	8	-4
1970	492	444	183	190	72	47	101	85	37	40	9	15
1971	572	516	212	213	91	56	80	72	29	23	19	9
1972	571	509	202	215	93	61	-1	-7	-10	2	2	5
1973	520	453	169	190	95	67	-51	-56	-33	-25	3	6
1974	525	462	171	197	93	64	5	11	2	7	-2	-3
1975	710	624	241	252	131	87	185	162	70	55	38	23
Revised Labour Force Survey												
1975	690	609	194	221	194	80	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1976	727	640	190	240	210	87	37	31	-4	19	16	7
1977	850	752	224	280	248	99	123	112	34	40	38	12
1978	911	800	247	289	264	110	61	48	23	9	16	11
1979	838	743	223	278	242	96	-73	-57	-24	-11	-22	-14
1980	867	764	237	287	239	103	29	21	14	9	-3	7

⁽¹⁾ These data have not been linked back over the years prior to 1975, when the former Labour Force Survey was in effect; as a result, both sets of data are presented here.

⁽²⁾ Average of July and October only.

Source: Statistics Canada, *The Labour Force*.

Reference Table 35

Family Units with One or More Unemployed Persons by
the Number of Employed Persons in the Family Unit, Canada⁽¹⁾
1960 – 1980

Years	Units with some unemployed	No persons in unit employed	One or more persons in unit employed				Units with some unemployment	No persons in unit employed	One or more persons in unit employed			
			Total	One employed	Two employed ⁽³⁾	Three or more employed			Total	One employed	Two employed ⁽³⁾	Three or more employed
(Thousands of family units, annual averages)							(Change)					
Former Labour Force Survey												
1960 ⁽²⁾	260	110	171	100	45	26						
1961	394	177	217	132	57	28	134	67	46	32	12	2
1962	331	148	183	112	46	25	-63	-29	-34	-20	-11	-3
1963	315	138	179	108	46	26	-16	-10	-4	0	0	1
1964	284	115	170	99	48	23	-31	-23	-9	-9	2	-3
1965	245	96	149	87	40	22	-39	-19	-21	-12	-8	-1
1966	229	87	142	83	39	19	-16	-9	-7	-4	-1	-3
1967	248	100	168	100	44	24	19	13	26	17	5	5
1968	319	119	200	119	54	28	71	19	32	19	10	4
1969	320	113	207	122	54	31	1	-6	7	3	0	3
1970	396	141	256	157	69	30	76	28	49	35	15	-1
1971	461	165	295	181	77	39	65	24	39	24	8	9
1972	456	159	297	186	76	36	-5	-6	2	5	-1	-3
1973	408	128	281	172	70	39	-48	-31	-16	-14	6	3
1974	412	135	276	170	70	36	4	7	-5	-2	0	-3
1975	547	185	362	228	92	43	135	50	86	58	22	7
Revised Labour Force Survey												
1975	553	150	399	260	139	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1976	576	153	423	273	150	n.a.	23	3	24	10	11	n.a.
1977	669	176	493	318	175	n.a.	93	23	70	45	25	n.a.
1978	711	187	523	340	183	n.a.	42	11	30	22	8	n.a.
1979	663	172	492	320	172	n.a.	-48	-15	-31	-20	-11	n.a.
1980	682	178	504	321	183	n.a.	19	6	12	1	11	n.a.

(1), (2) See notes 1 and 2 on reference table 34.

(3) On revised Labour Force Survey this column reads "two or more employed".

Source: Statistics Canada, *The Labour Force*.

Reference Table 36
 Help-Wanted Index, Canada and Regions
 1962 – 1980
 (1969 = 100)

Years	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia
D	730179	730180	730181	730182	730183	730184
1962	62	87	90	44	54	41
1963	65	84	88	51	60	40
1964	78	97	102	65	73	54
1965	97	137	118	86	86	70
1966	107	143	127	96	102	75
1967	93	121	109	79	104	66
1968	81	107	85	77	84	70
1969	100	100	100	100	100	100
1970	82	78	86	83	79	75
1971	86	87	93	80	88	83
1972	115	104	114	117	121	113
1973	148	137	140	149	156	166
1974	199	236	203	170	230	221
1975	163	211	200	115	196	152
1976	157	136	195	106	212	148
1977	152	151	189	104	198	146
1978	165	139	205	113	227	147
1979	188	135	176	156	310	190
1980	203	145	181	158	346	249
(Per cent change)						
1963	4.8	-3.4	-2.2	15.9	11.1	-2.4
1964	20.0	15.5	15.9	27.5	21.7	35.0
1965	24.4	41.2	15.7	32.3	17.8	29.6
1966	10.3	4.4	7.6	11.6	18.6	7.1
1967	-13.1	-15.4	-14.2	-17.7	2.0	-12.0
1968	-12.9	-11.6	-22.0	-2.5	-19.2	6.1
1969	23.5	-6.5	17.6	29.9	19.0	42.9
1970	-18.0	-22.0	-14.0	-17.0	-21.0	-25.0
1971	4.9	11.5	8.1	-3.6	11.4	10.7
1972	33.7	19.5	22.6	46.3	37.5	36.1
1973	28.7	31.7	22.8	27.4	28.9	46.9
1974	34.5	72.3	45.0	14.1	47.4	33.1
1975	-18.1	-10.6	-1.5	-32.4	-14.8	-31.2
1976	-3.7	-35.5	-2.5	-7.8	8.2	-2.6
1977	-3.2	11.0	-3.1	-1.9	-6.6	-1.4
1978	8.6	-7.9	8.5	8.7	14.6	0.7
1979	13.9	-2.9	-14.1	38.1	36.6	29.3
1980	8.0	7.4	2.8	1.3	11.6	31.1

Source: Statistics Canada, *Canadian Statistical Review*, cat. 11-003.

Reference Table 37
Productivity and Costs: Commercial Non-Agricultural Industries
1961 – 1980
(1971 = 100)

Years	Output	Persons employed	Total man-hours	Labour compensation	Output per person employed	Output per man-hour	Labour compensation per person employed	Labour compensation per unit of output
D	100211	240203	240263	240557	240323	240353	240587	240647
1961	56.5	75.1	79.7	43.1	75.2	70.9	57.3	76.2
1962	60.2	77.7	82.7	45.7	77.5	72.8	58.8	75.8
1963	63.4	79.9	84.6	48.4	79.4	74.9	60.6	76.4
1964	68.7	83.4	88.3	52.5	82.2	77.7	63.0	76.5
1965	74.1	88.1	92.9	58.4	84.1	79.8	66.3	78.8
1966	79.0	92.3	96.2	65.6	85.6	82.1	71.1	83.0
1967	82.2	93.9	97.4	71.7	87.5	84.4	76.3	87.2
1968	86.8	94.3	96.8	76.5	92.1	89.7	81.1	88.1
1969	92.3	97.7	99.4	85.0	94.4	92.9	86.9	92.1
1970	94.3	98.1	98.9	91.3	96.1	95.4	93.0	96.8
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	107.0	104.0	103.6	111.5	102.8	103.3	107.1	104.2
1973	116.4	109.9	109.4	129.6	105.9	106.4	117.9	111.3
1974	122.6	115.7	114.6	154.9	106.0	107.0	133.9	126.3
1975	122.5	116.8	114.6	178.5	104.9	106.9	152.8	145.6
1976	129.6	118.7	116.1	204.4	109.2	111.7	172.2	157.6
1977	133.7	121.7	117.0	223.6	109.8	114.3	183.8	167.3
1978	138.9	125.1	120.8	242.4	111.0	114.9	193.8	174.5
1979	144.2	130.7	125.3	271.1	110.4	115.1	207.4	188.0
1980	144.7	133.1	127.2	300.1	108.6	113.7	225.4	207.5
(Per cent change)								
1962	6.5	3.5	3.8	6.0	3.1	2.7	2.6	-0.5
1963	5.3	2.8	2.3	5.9	2.5	2.9	3.1	0.8
1964	8.2	4.4	4.4	8.5	3.5	3.7	4.0	0.1
1965	8.0	5.6	5.2	11.2	2.3	2.7	5.2	3.0
1966	6.6	4.8	3.6	12.3	1.8	2.9	7.2	5.3
1967	4.1	1.7	1.2	9.1	2.2	2.8	7.3	5.1
1968	5.6	0.4	-0.6	6.8	5.3	6.3	6.3	1.0
1969	6.3	3.6	2.7	11.1	2.5	3.6	7.2	4.5
1970	2.2	0.4	-0.5	7.4	1.8	2.7	7.0	5.1
1971	6.0	1.9	1.1	9.5	4.1	4.8	7.5	3.3
1972	7.0	4.0	3.6	11.5	2.8	3.3	7.1	4.2
1973	8.8	5.7	5.7	16.2	3.0	3.0	10.1	6.8
1974	5.3	5.3	4.8	19.5	0.1	0.6	13.6	13.5
1975	-0.1	1.0	0.0	15.2	-1.0	-0.1	14.1	15.3
1976	5.8	1.6	1.3	14.5	4.1	4.5	12.7	8.1
1977	3.2	2.5	0.8	9.4	0.5	2.3	6.7	6.2
1978	3.9	2.8	3.2	8.4	1.1	0.5	5.4	4.3
1979	3.8	4.5	3.7	11.8	-0.5	0.2	7.0	7.7
1980	0.3	1.8	1.5	10.7	-1.6	-1.2	8.7	10.4

Source: Statistics Canada, *Aggregate Productivity Measures*, annual, cat. 14-201.

Reference Table 38
Productivity and Costs: Commercial Non-Agricultural Goods-Producing Industries
1961 – 1980
(1971 = 100)

Years	Output	Persons employed	Total man-hours	Labour compensation	Output per person employed	Output per man-hour	Labour compensation per person employed	Labour compensation per unit of output
D	100208	240204	240264	240558	240324	240354	240588	240648
1961	55.6	82.7	84.7	44.7	67.2	65.6	54.0	80.4
1962	60.0	85.3	88.3	47.6	70.4	67.9	55.9	79.4
1963	63.3	87.2	90.1	50.3	72.6	70.3	57.7	79.5
1964	69.1	91.3	94.7	54.9	75.7	73.0	60.2	79.5
1965	75.2	96.3	100.0	61.5	78.1	75.2	63.9	81.7
1966	80.8	100.7	104.1	69.5	80.2	77.6	69.1	86.1
1967	83.2	100.3	102.7	74.6	83.0	81.0	74.4	89.7
1968	88.2	99.7	101.8	79.0	88.5	86.6	79.3	89.5
1969	93.7	101.4	102.6	86.6	92.4	91.3	85.4	92.4
1970	94.7	99.3	100.2	91.5	95.4	94.5	92.2	96.6
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	106.3	102.3	102.2	109.8	103.9	104.0	107.3	103.3
1973	116.2	107.7	107.7	129.1	107.9	107.9	119.9	111.2
1974	120.1	110.7	110.7	154.0	108.5	108.5	139.2	128.2
1975	114.7	108.7	107.5	174.3	105.5	106.7	160.4	152.0
1976	121.0	109.6	108.6	198.6	110.3	111.4	181.1	164.1
1977	123.2	109.1	106.4	216.7	112.9	115.7	198.7	176.0
1978	127.2	110.1	107.7	231.7	115.6	118.1	210.5	182.2
1979	132.5	115.2	112.0	257.5	114.9	118.3	223.4	194.4
1980	131.1	114.5	111.2	279.8	114.4	117.8	244.4	213.7
(Per cent change)								
1962	7.9	3.1	4.3	6.5	4.8	3.3	3.5	-1.2
1963	5.5	2.2	2.0	5.7	3.1	3.5	3.2	0.1
1964	9.2	4.7	5.1	9.1	4.3	3.8	4.3	0.0
1965	8.8	5.5	5.6	12.0	3.2	3.0	6.1	2.8
1966	7.4	4.6	4.1	13.0	2.7	3.2	8.1	5.4
1967	3.0	-0.4	-1.3	7.3	3.5	4.4	7.7	4.2
1968	6.0	-0.6	-0.9	5.9	6.6	6.9	6.6	-0.2
1969	6.2	1.7	0.8	9.6	4.4	5.4	7.7	3.2
1970	1.1	-2.1	-2.3	5.7	3.2	3.5	8.0	4.5
1971	5.6	0.7	-0.2	9.3	4.8	5.8	8.5	3.5
1972	6.3	2.3	2.1	9.8	3.9	4.0	7.3	3.3
1973	9.3	5.3	5.4	17.6	3.8	3.7	11.8	7.6
1974	3.4	2.8	2.8	19.3	0.6	0.6	16.0	15.4
1975	-4.5	-1.8	-2.9	13.2	-2.8	-1.7	15.2	18.6
1976	5.5	0.8	1.0	13.9	4.5	4.4	12.9	8.0
1977	1.8	-0.5	-2.0	9.1	2.4	3.9	9.7	7.3
1978	3.2	0.9	1.2	7.0	2.4	2.1	5.9	3.5
1979	4.2	4.6	4.0	11.1	-0.6	0.2	6.1	6.7
1980	-1.1	-0.6	-0.7	8.7	-0.4	-0.4	9.4	9.9

Source: Statistics Canada, *Aggregate Productivity Measures*.

Reference Table 39
Productivity and Costs: Commercial Services-Producing Industries
1961 – 1980
(1971 = 100)

Years	Output	Persons employed	Total man-hours	Labour compensation	Output per person employed	Output per man-hour	Labour compensation per person employed	Labour compensation per unit of output
D		240202	240262	240556	240322	240352	240586	240646
1961	57.5	69.2	75.7	41.5	83.1	76.0	59.9	72.2
1962	60.5	71.7	78.2	43.7	84.3	77.3	61.0	72.3
1963	63.5	74.2	80.3	46.6	85.6	79.1	62.8	73.4
1964	68.2	77.3	83.2	50.2	88.2	82.0	64.9	73.6
1965	73.1	81.8	87.3	55.4	89.4	83.7	67.8	75.8
1966	77.3	85.8	90.0	61.8	90.0	85.9	72.0	79.9
1967	81.4	89.0	93.2	68.7	91.4	87.3	77.2	84.4
1968	85.5	90.1	92.8	74.0	94.9	92.1	82.2	86.6
1969	91.0	94.9	96.8	83.4	95.9	94.0	87.8	91.6
1970	94.0	97.2	97.8	91.0	96.7	96.1	93.7	96.8
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	107.5	105.4	104.7	113.1	102.0	102.7	107.3	105.2
1973	116.6	111.6	110.8	130.0	104.5	105.2	116.5	111.5
1974	124.8	119.5	117.7	155.7	104.4	106.1	130.2	124.7
1975	129.7	123.1	120.3	182.5	105.4	107.8	148.3	140.8
1976	137.4	125.7	122.0	210.0	109.4	112.7	167.1	152.8
1977	143.2	131.5	125.4	230.7	108.9	114.2	175.1	160.9
1978	149.5	136.8	131.4	252.9	109.3	113.7	184.9	169.2
1979	154.9	142.8	136.1	284.5	108.5	113.9	199.3	183.7
1980	157.0	147.7	140.0	320.0	106.3	112.1	216.7	203.8
(Per cent change)								
1962	5.2	3.6	3.3	5.3	1.4	1.7	1.8	0.1
1963	5.0	3.5	2.7	6.6	1.5	2.3	3.0	1.4
1964	7.4	4.2	3.6	7.7	3.0	3.7	3.3	0.4
1965	7.2	5.8	4.9	10.4	1.4	2.1	4.5	3.0
1966	5.7	4.9	3.1	11.6	0.7	2.6	6.2	5.4
1967	5.3	3.7	3.6	11.2	1.6	1.6	7.2	5.6
1968	5.0	1.2	-0.4	7.7	3.8	5.5	6.5	2.6
1969	6.4	5.3	4.3	12.7	1.1	2.1	6.8	5.8
1970	3.3	2.4	1.0	9.1	0.8	2.2	6.7	5.7
1971	6.4	2.9	2.2	9.9	3.4	4.1	6.7	3.3
1972	7.5	5.4	4.7	13.1	2.0	2.7	7.3	5.2
1973	8.5	5.9	5.8	14.9	2.5	2.4	8.6	6.0
1974	7.0	7.1	6.2	19.8	-0.1	0.9	11.8	11.8
1975	3.9	2.9	2.2	17.2	1.0	1.6	13.9	12.9
1976	5.9	2.1	1.4	15.1	3.8	4.5	12.7	8.7
1977	4.2	4.6	2.8	9.5	-0.5	1.3	4.8	5.3
1978	4.4	4.0	4.8	10.0	0.4	-0.4	5.6	5.2
1979	3.6	4.4	3.6	12.5	-0.7	0.2	7.8	8.6
1980	1.4	3.4	2.9	12.5	-2.0	-1.6	8.7	10.9

Source: Statistics Canada, *Aggregate Productivity Measures*.

Reference Table 40
Productivity and Costs: Manufacturing Industries
1961 – 1980
(1971 = 100)

Years	Output	Persons employed	Total man-hours	Labour compensation	Output per person employed	Output per man-hour	Labour compensation per person employed	Labour compensation per unit of output
D	100116	240186	240246	240546	240306	240336	240576	240636
1961	54.4	83.6	84.4	46.9	65.1	64.4	56.1	86.1
1962	59.4	85.8	87.6	50.1	69.2	67.8	58.3	84.3
1963	63.4	88.0	90.1	53.3	72.1	70.4	60.6	84.1
1964	69.5	92.0	94.6	58.1	75.6	73.5	63.2	83.6
1965	75.8	96.7	99.4	64.1	78.4	76.2	66.3	84.6
1966	81.5	101.3	103.4	71.9	80.5	78.9	71.0	88.2
1967	83.9	101.7	103.1	77.2	82.5	81.4	75.9	92.0
1968	89.1	101.0	102.5	82.4	88.3	86.9	81.6	92.4
1969	95.8	102.9	104.1	89.9	93.1	92.0	87.3	93.8
1970	94.5	100.6	101.2	94.0	94.0	93.4	93.5	99.5
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	107.1	102.9	102.7	110.6	104.1	104.4	107.5	103.2
1973	117.6	107.4	107.0	126.7	109.5	109.9	118.0	107.7
1974	122.0	109.5	109.3	148.9	111.4	111.7	135.9	122.0
1975	114.3	106.8	105.1	164.3	107.0	108.8	153.8	143.7
1976	120.6	106.9	105.7	188.9	112.8	114.1	176.6	156.7
1977	122.2	104.6	102.0	205.6	116.9	119.9	196.6	168.2
1978	129.2	107.2	104.6	226.6	120.6	123.6	211.4	175.3
1979	134.2	111.3	107.3	255.5	120.5	125.0	229.5	190.5
1980	130.6	110.1	106.0	276.0	118.7	123.3	250.8	211.3
(Per cent change)								
1962	9.2	2.6	3.8	6.8	6.3	5.3	3.9	-2.1
1963	6.7	2.6	2.9	6.4	4.2	3.8	3.9	-0.2
1964	9.6	4.5	5.0	9.0	4.9	4.4	4.3	-0.6
1965	9.1	5.1	5.1	10.3	3.7	3.7	4.9	1.2
1966	7.5	4.8	4.0	12.2	2.7	3.5	7.1	4.3
1967	2.9	0.4	-0.3	7.4	2.5	3.2	6.9	4.3
1968	6.2	-0.7	-0.6	6.7	7.0	6.8	7.5	0.4
1969	7.5	1.9	1.6	9.1	5.4	5.9	7.0	1.5
1970	-1.4	-2.2	-2.8	4.6	1.0	1.5	7.1	6.1
1971	5.8	-0.6	-1.2	6.4	6.4	7.1	7.0	0.5
1972	7.1	2.9	2.7	10.6	4.1	4.4	7.5	3.2
1973	9.8	4.4	4.3	14.6	5.2	5.3	9.7	4.4
1974	3.7	2.0	2.1	17.5	1.7	1.6	15.2	13.2
1975	-6.3	-2.5	-3.9	10.3	-3.9	-2.6	13.1	17.8
1976	5.5	0.1	0.6	15.0	5.4	4.9	14.8	9.0
1977	1.3	-2.2	-3.5	8.8	3.6	5.1	11.3	7.3
1978	5.7	2.5	2.5	10.2	3.2	3.1	7.5	4.2
1979	3.9	3.8	2.6	12.8	-0.1	1.1	8.6	8.7
1980	-2.7	-1.1	-1.2	8.0	-1.5	-1.4	9.3	10.9

Source: Statistics Canada, *Aggregate Productivity Measures*.

Reference Table 41
Average Weekly Wages and Salaries by Industrial Division
1961 – 1980

Years	Primary ⁽¹⁾ indus- tries	Manu- factur- ing	Con- struc- tion	Trans- porta- tion, com- muni- cation and other utili- ties	Trade ⁽²⁾	Finance, insur- ance and real estate	Service	Indus- trial com- posite
D	1442	1445	1446			1449	1450	1439
(Dollars)								
1961	92.95	81.54	86.93	82.48	66.02	72.81	57.84	78.24
1962	95.92	83.99	89.36	86.44	67.87	75.34	59.27	80.54
1963	99.52	86.89	93.59	90.10	70.13	77.62	60.39	83.28
1964	103.55	90.41	98.48	93.68	72.57	81.85	62.38	86.50
1965	109.03	94.78	106.68	99.09	75.18	88.29	65.76	91.01
1966	116.98	100.13	119.56	103.65	78.59	93.00	70.18	96.30
1967	126.71	106.53	130.47	113.13	83.21	99.00	75.35	102.79
1968	136.68	114.40	137.25	122.66	89.25	106.17	79.35	109.92
1969	146.22	122.94	149.85	132.54	96.50	113.81	84.17	117.83
1970	160.14	132.84	166.40	142.26	103.41	120.52	90.64	126.78
1971	173.24	143.99	188.27	154.14	111.89	129.59	98.56	137.64
1972	187.27	156.10	209.93	168.03	121.93	140.79	107.32	149.22
1973	208.92	167.48	225.45	181.89	131.02	154.44	114.53	160.45
1974	235.61	185.62	250.30	204.39	144.78	172.25	126.11	178.08
1975	275.07	213.43	290.95	233.98	164.68	193.12	143.68	203.34
1976	311.95	241.19	331.02	262.02	182.94	213.71	160.49	228.03
1977	341.77	266.04	369.88	291.15	198.36	229.57	171.28	249.95
1978	367.71	285.68	389.64	313.27	210.30	248.43	180.00	265.37
1979	409.26	311.19	422.28	341.41	228.31	272.10	193.20	288.25
1980	458.32	342.01	461.44	381.20	n.a.	303.99	211.11	317.33
(Per cent change)								
1962	3.2	3.0	2.8	4.8	2.8	3.5	2.5	2.9
1963	3.8	3.5	4.7	4.2	3.3	3.0	1.9	3.4
1964	4.0	4.0	5.2	4.0	3.5	5.5	3.3	3.9
1965	5.3	4.8	8.3	5.8	3.6	7.9	5.4	5.2
1966	7.3	5.6	12.1	4.6	4.5	5.3	6.7	5.8
1967	8.3	6.4	9.1	9.1	5.9	6.4	7.4	6.7
1968	7.9	7.4	5.2	8.4	7.3	7.2	5.3	6.9
1969	7.0	7.5	9.2	8.1	8.1	7.2	6.1	7.2
1970	9.5	8.1	11.0	7.3	7.1	5.9	7.7	7.6
1971	8.2	8.4	13.1	8.4	8.2	7.5	8.7	8.6
1972	8.1	8.4	11.5	9.0	9.0	8.6	8.9	8.4
1973	11.6	7.3	7.4	8.3	7.5	9.7	6.7	7.5
1974	12.8	10.8	11.0	12.4	10.5	11.5	10.1	11.0
1975	16.7	15.0	16.2	14.5	13.7	12.1	13.9	14.2
1976	13.4	13.0	13.8	12.0	11.1	10.7	11.7	12.2
1977	9.6	10.3	11.7	11.1	8.4	7.4	6.7	9.6
1978	7.5	7.4	5.3	7.6	6.0	8.2	5.1	6.2
1979	11.3	8.9	8.4	9.0	8.6	9.5	7.3	8.6
1980	12.0	9.9	9.3	11.6	n.a.	11.7	9.3	10.1

(1) Forestry and mining (including milling). Estimated by the Department of Finance.

(2) Estimated by the Department of Finance.

Source: Statistics Canada, *Employment, Earnings and Hours*.

Reference Table 42

Annual Average Wage Changes Provided by Major Collective Agreements (without COLA)⁽¹⁾ (Percentage changes on a life-of-contract basis)
1967 – 1980

Years	Primary industries	Manufacturing	Transportation and communication	Trade finance, insurance, etc.	Non-commercial	Public administration	Total commercial	Total non commercial	All industries
1967	8.1	7.7	7.4	9.1	9.2	12.0	7.7	11.0	8.3
1968	9.3	7.9	7.3	9.9	9.7	7.5	7.8	7.9	7.9
1969	8.9	8.4	7.5	9.6	6.9	7.5	8.2	7.2	7.7
1970	8.3	8.6	8.8	9.3	9.0	8.0	8.7	8.4	8.6
1971	9.4	7.8	7.4	11.3	8.5	7.4	7.9	7.8	7.8
1972	9.8	9.6	8.3	11.3	7.8	7.8	9.6	7.8	8.8
1973	13.3	11.5	11.8	12.1	10.0	9.8	11.9	9.9	10.9
1974	20.0	16.1	13.6	20.1	21.5	12.6	15.2	14.4	14.7
1975	24.5	16.4	17.6	18.3	21.6	18.5	17.6	19.9	19.2
1976	9.2	10.5	11.7	10.0	11.0	11.1	10.7	11.1	10.9
1977	6.7	7.8	7.9	8.4	6.9	8.6	7.9	7.9	7.9
1978	6.3	7.7	7.1	9.9	6.5	6.8	7.6	6.7	7.1
1979	8.5	9.9	8.9	10.2	8.1	8.4	9.4	8.2	8.7
1980	12.9	12.1	10.8	11.3	11.0	10.8	11.4	10.9	11.1

⁽¹⁾ Agreements covering 500 or more employees (excluding construction). Percentage increases refer to base wage rates, the lowest paid classification used for qualified workers in the bargaining unit.

Source: Labour Canada, *Wage Developments Resulting from Major Collective Bargaining Settlements*, annual and quarterly.

Reference Table 43
Gross National Expenditure Implicit Price Indexes⁽¹⁾
1947 – 1980
(1971 = 100)

Years	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Exports of goods and services	Imports of goods and services	Terms of Trade	Gross national expenditure
			Total	Government	Business	Housing				
D	40626	40631	40632	40633		40637	40640	40642		40625
1947.....	50.5	28.3	44.2	48.5	43.6	41.9	59.3	56.2	105.5	45.7
1948.....	57.3	32.3	50.1	54.4	49.0	49.1	63.6	62.8	101.3	51.3
1949.....	59.4	34.6	52.5	56.6	51.5	51.2	66.8	64.9	102.9	53.5
1950.....	61.2	35.9	54.8	58.9	53.8	53.8	69.8	69.4	100.7	54.8
1951.....	67.4	40.2	62.6	69.9	60.8	62.0	77.6	76.7	101.2	61.0
1952.....	69.0	42.0	64.6	71.5	63.0	63.1	76.7	71.3	107.4	63.7
1953.....	68.8	43.0	64.7	67.3	63.9	63.7	74.9	71.2	105.1	63.6
1954.....	69.5	44.7	64.5	67.4	63.8	63.1	74.3	71.4	104.0	64.6
1955.....	69.5	46.2	66.4	72.5	65.2	64.3	77.3	72.6	106.4	65.0
1956.....	70.6	49.4	69.9	80.3	68.8	65.3	79.4	75.0	105.8	67.4
1957.....	72.8	51.9	70.9	75.8	70.3	67.2	79.0	76.9	102.7	68.8
1958.....	74.7	53.5	70.4	71.9	71.0	67.0	78.7	78.0	100.8	69.8
1959.....	75.6	55.3	70.9	72.2	72.0	66.9	79.8	77.5	103.0	71.2
1960.....	76.3	57.3	71.9	72.8	72.7	68.2	80.3	78.2	102.8	72.1
1961.....	76.8	59.1	71.4	70.4	72.7	68.8	81.3	80.3	101.2	72.4
1962.....	77.8	60.6	72.4	71.4	74.1	68.6	84.5	84.0	100.6	73.4
1963.....	79.0	63.1	74.4	74.0	76.1	70.1	85.3	85.9	99.3	74.8
1964.....	80.0	65.2	77.0	76.3	78.8	73.0	87.1	86.6	100.5	76.6
1965.....	81.6	68.2	81.1	81.3	82.3	77.2	88.7	87.3	101.6	79.1
1966.....	84.3	72.8	85.3	85.9	85.9	82.2	91.1	89.2	102.2	82.6
1967.....	87.2	77.8	87.1	86.8	87.2	87.0	93.0	90.7	102.6	85.9
1968.....	90.8	82.2	87.7	87.0	87.8	87.9	94.3	93.0	101.4	88.7
1969.....	94.3	89.0	91.4	91.2	91.2	92.1	96.4	95.6	100.8	92.6
1970.....	97.7	94.2	95.3	95.3	95.6	94.1	99.7	98.2	101.6	96.9
1971.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972.....	104.0	107.2	105.0	105.2	104.0	107.1	103.9	103.1	100.8	105.0
1973.....	111.6	116.4	114.0	114.8	110.2	123.8	117.4	111.2	105.6	114.6
1974.....	124.2	135.1	133.4	138.0	126.7	147.9	152.2	134.3	113.3	132.1
1975.....	137.3	156.0	150.2	153.2	143.8	167.8	168.6	153.6	109.7	146.3
1976.....	147.4	176.7	163.9	163.9	154.7	187.7	173.9	155.4	111.9	160.2
1977.....	158.3	193.5	176.9	175.9	166.6	205.6	187.4	174.3	107.5	171.4
1978.....	170.0	209.9	191.2	188.9	180.1	224.9	203.6	197.8	102.9	182.3
1979.....	185.5	228.6	209.7	206.5	197.9	252.7	242.3	226.8	106.8	201.1
1980.....	205.0	254.6	227.9	222.1	217.3	276.6	280.4	261.8	107.1	222.3

Reference Table 43 (continued)
Gross National Expenditure Implicit Price Indexes⁽¹⁾
1947 – 1980

Years	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Exports of goods and services	Imports of goods and services	Terms of Trade	Gross national expenditure
			Total	Government	Business	Housing				
(Per cent change)										
1947.....	9.1	7.7	10.5	9.7	9.9	12.8	- 11.0	12.0	0.0	8.8
1948.....	13.5	14.1	13.3	12.3	12.4	17.1	7.2	11.8	- 4.0	12.3
1949.....	3.6	7.1	4.8	3.9	5.1	4.3	5.0	3.3	1.6	4.3
1950.....	3.1	3.9	4.5	4.2	4.4	4.9	4.6	7.0	2.2	2.3
1951.....	10.2	11.8	14.1	18.7	12.9	15.3	11.1	10.4	0.5	11.5
1952.....	2.3	4.5	3.2	2.2	3.7	1.9	- 1.1	- 7.0	6.2	4.3
1953.....	- 0.2	2.5	0.2	- 5.8	1.4	0.9	- 2.4	- 0.1	- 2.1	- 0.1
1954.....	0.9	4.0	- 0.3	0.1	0.0	- 0.8	- 0.8	0.3	- 1.1	1.6
1955.....	0.0	3.3	2.9	7.6	2.2	1.9	4.0	1.7	2.3	0.6
1956.....	1.6	7.0	5.3	10.8	5.5	1.6	2.7	3.3	0.6	3.6
1957.....	3.1	5.1	1.4	- 5.6	2.2	2.8	- 0.5	2.5	- 2.9	2.1
1958.....	2.6	3.0	- 0.7	- 5.1	0.9	- 0.3	- 0.4	1.4	- 1.8	1.4
1959.....	1.1	3.4	0.8	0.3	1.5	- 0.1	1.5	- 0.6	2.1	2.1
1960.....	0.9	3.6	1.3	0.9	0.9	2.0	0.6	0.9	- 0.2	1.2
1961.....	0.7	3.2	- 0.6	- 3.3	0.1	0.8	1.2	2.7	- 1.5	0.5
1962.....	1.3	2.4	1.3	1.5	1.9	- 0.3	3.9	4.6	- 0.6	1.4
1963.....	1.5	4.1	2.8	3.6	2.7	2.3	0.9	2.3	- 1.3	1.9
1964.....	1.3	3.5	3.5	3.1	3.5	4.1	2.1	0.8	1.2	2.5
1965.....	1.9	4.5	5.2	6.5	4.5	5.8	1.8	0.7	1.1	3.2
1966.....	3.3	6.7	5.2	5.7	4.3	6.5	2.7	2.2	0.5	4.4
1967.....	3.4	6.8	2.2	1.0	1.6	5.8	2.0	1.7	0.4	3.9
1968.....	4.2	5.7	0.7	0.2	0.7	1.0	1.4	2.6	- 1.1	3.3
1969.....	3.9	8.3	4.2	4.9	3.8	4.8	2.2	2.8	- 0.6	4.4
1970.....	3.6	5.8	4.2	4.5	4.8	2.2	3.5	2.7	0.8	4.7
1971.....	2.4	6.2	4.9	4.9	4.6	6.3	0.3	1.8	- 1.5	3.2
1972.....	4.0	7.2	5.0	5.2	4.0	7.1	3.9	3.1	0.7	5.0
1973.....	7.3	8.6	8.6	9.1	5.9	15.6	13.0	7.9	4.8	9.2
1974.....	11.3	16.1	17.0	20.3	15.0	19.4	29.6	20.7	7.3	15.3
1975.....	10.6	15.4	12.5	11.0	13.5	13.5	10.8	14.4	- 3.1	10.8
1976.....	7.4	13.3	9.1	6.9	7.6	11.9	3.1	1.2	2.0	9.5
1977.....	7.4	9.5	7.9	7.5	7.7	9.5	7.8	12.2	- 3.9	7.0
1978.....	7.4	8.5	8.1	7.4	8.1	9.4	8.6	13.5	- 4.3	6.4
1979.....	9.1	8.9	9.7	9.3	9.9	12.4	19.0	14.7	3.8	10.3
1980.....	10.5	11.4	8.7	7.6	9.8	9.5	15.7	15.4	0.3	10.5

⁽¹⁾ These implicit price indexes are currently weighted price indexes. They reflect not only pure price change, but also changing expenditure patterns within and between major groups. The implicit price index for gross national expenditure is derived by dividing the total of current dollars by the total of constant dollars.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 44
Consumer Price Indexes: Standard Classifications
1961 – 1980
(1971 = 100)

Years	All items	Food	Housing	Clothing	Transportation	Health and personal care	Recreation and reading	Tobacco and alcohol
D	484000	484001	484126	484214	484319	484344	484372	484404
1961	74.9	76.1	73.1	77.7	77.0	70.2	73.7	77.8
1962	75.8	77.5	73.9	78.4	76.9	71.6	74.4	78.7
1963	77.2	80.0	74.8	80.4	76.9	73.4	75.4	78.9
1964	78.6	81.3	76.0	82.4	77.7	75.9	76.6	80.4
1965	80.5	83.4	77.3	83.8	80.7	79.4	77.9	81.7
1966	83.5	88.7	79.4	87.0	82.6	81.8	80.1	83.7
1967	86.5	89.9	82.9	91.3	86.1	86.0	84.2	85.8
1968	90.0	92.8	86.7	94.1	88.3	89.5	88.3	93.6
1969	94.1	96.7	91.2	96.7	92.4	93.8	93.6	97.2
1970	97.2	98.9	95.7	98.5	96.1	98.0	96.8	98.4
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	104.8	107.6	104.7	102.6	102.6	104.8	102.8	102.7
1973	112.8	123.3	111.4	107.7	105.3	109.8	107.1	106.0
1974	125.0	143.4	121.2	118.0	115.8	119.4	116.5	111.8
1975	138.5	161.9	133.2	125.1	129.4	133.0	128.5	125.3
1976	148.9	166.2	148.0	132.0	143.3	144.3	136.2	134.3
1977	160.8	180.1	161.9	141.0	153.3	155.0	142.7	143.8
1978	175.1	208.0	174.1	146.4	162.2	166.2	148.2	155.5
1979	191.2	235.3	186.2	159.9	178.0	181.2	158.4	166.7
1980	210.6	260.6	201.4	178.7	200.7	199.3	173.5	185.3
(Per cent change)								
1961	0.9	1.5	0.5	1.5	0.3	0.5	1.2	0.5
1962	1.2	1.9	1.1	0.8	-0.2	2.0	0.9	1.2
1963	1.8	3.2	1.2	2.6	0.0	2.5	1.3	0.3
1964	1.8	1.6	1.6	2.5	1.0	3.4	1.7	1.9
1965	2.4	2.6	1.7	1.7	3.9	4.6	1.7	1.6
1966	3.7	6.4	2.7	3.8	2.4	3.0	2.8	2.4
1967	3.6	1.4	4.4	4.9	4.2	5.1	5.1	2.5
1968	4.0	3.2	4.6	3.1	2.6	4.1	4.9	9.1
1969	4.6	4.2	5.2	2.8	4.6	4.8	6.0	3.8
1970	3.3	2.3	4.9	1.9	4.0	4.5	3.4	1.2
1971	2.9	1.0	4.5	1.5	4.1	2.0	3.3	1.6
1972	4.8	7.6	4.6	2.6	2.7	4.8	2.8	2.7
1973	7.6	14.6	6.5	5.0	2.6	4.8	4.2	3.1
1974	10.9	16.3	8.7	9.6	9.9	8.7	8.8	5.5
1975	10.8	12.9	10.0	6.0	11.8	11.4	10.3	12.1
1976	7.5	2.7	11.1	5.6	10.8	8.5	6.0	7.1
1977	8.0	8.3	9.4	6.8	7.0	7.4	4.7	7.1
1978	8.9	15.5	7.5	3.9	5.8	7.2	3.9	8.1
1979	9.1	13.2	7.0	9.2	9.7	9.1	6.9	7.2
1980	10.2	10.7	8.2	11.7	12.8	9.9	9.5	11.2

Source: Statistics Canada, *Prices and Price Indexes*, monthly, cat. 62-002.

Reference Table 45
Consumer Price Indexes: Reclassified by Goods and Services
1961 – 1980
(1971 = 100)

Years	Total consumer price index	Total excluding food	Total com- modities	Total com- modities excluding food	Non- durables	Non- durables excluding food	Durables	Total services ⁽¹⁾	Services excluding shelter
D	484000	488806	488801	488814	488804	488815	488802	488805	488816
1961	74.9	74.6	79.9	—	77.3	—	94.0	66.6	—
1962	75.8	75.3	80.7	83.0	78.4	80.1	93.1 ⁽¹⁾	67.8	67.7
1963	77.2	76.2	82.1	83.7	80.0	80.0	93.3	68.9	68.8
1964	78.6	77.6	83.1	84.5	81.2	81.1	92.4	70.9	70.9
1965	80.5	79.4	84.5	85.4	83.0	82.4	92.2	73.5	74.7
1966	83.5	81.7	87.8	87.3	87.0	84.5	92.2	76.1	77.6
1967	86.5	85.3	90.0	90.4	88.6	86.9	94.8	80.2	82.2
1968	90.0	89.0	93.4	93.7	92.4	91.5	96.3	84.4	85.8
1969	94.1	93.1	96.3	96.1	95.9	94.7	97.2	90.0	91.4
1970	97.2	96.7	98.2	97.9	98.1	97.0	98.4	95.3	96.0
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	104.8	103.7	104.6	102.3	105.8	102.9	101.2	105.2	104.7
1973	112.8	109.0	113.7	106.4	118.1	108.3	102.6	111.6	109.8
1974	125.0	118.6	128.1	116.7	135.3	120.4	110.4	120.5	119.4
1975	138.5	130.5	142.0	127.7	152.7	136.0	118.9	133.4	135.2
1976	148.9	142.8	149.0	136.1	160.0	147.6	125.3	149.6	153.1
1977	160.8	154.0	160.0	145.2	173.0	158.9	131.7	163.2	166.9
1978	175.1	163.9	176.2	153.8	194.4	170.5	139.4	174.3	178.0
1979	191.2	176.9	194.9	167.9	216.2	185.7	152.8	186.5	192.5
1980	210.6	194.6	217.2	187.5	242.6	210.4	169.4	201.8	211.0
(Per cent change)									
1962	1.2	1.0	0.9	—	1.5	—	-0.9	1.7	—
1963	1.8	1.2	1.7	0.8	2.0	-0.1	0.1	1.6	1.6
1964	1.8	1.8	1.2	1.0	1.5	1.4	-1.0	2.9	3.1
1965	2.4	2.3	1.7	1.1	2.2	1.6	-0.2	3.7	5.4
1966	3.7	2.9	3.9	2.2	4.8	2.5	3.0	3.5	3.9
1967	3.6	4.4	2.5	3.6	1.8	2.8	2.8	5.4	5.9
1968	4.0	4.3	3.8	3.7	4.3	5.3	1.6	5.2	4.5
1969	4.6	4.6	3.1	2.6	3.8	3.5	0.9	6.6	6.3
1970	3.3	3.9	2.0	1.9	2.3	2.4	1.2	5.9	5.1
1971	2.9	3.4	1.8	2.1	1.9	3.1	1.6	4.9	4.2
1972	4.8	3.7	4.5	2.3	5.9	2.9	1.2	5.1	4.7
1973	7.6	5.1	8.8	4.0	11.6	5.3	1.4	6.2	4.8
1974	10.9	8.8	12.6	9.7	14.5	11.2	7.6	8.0	8.8
1975	10.8	10.1	10.9	9.4	12.9	12.9	7.7	10.7	13.2
1976	7.5	9.4	4.9	6.6	4.8	8.6	5.4	12.2	13.2
1977	8.0	7.9	7.4	6.7	8.1	7.7	5.1	9.0	9.0
1978	8.9	6.4	10.2	6.0	12.4	7.2	5.8	6.8	6.7
1979	9.1	7.9	10.6	9.2	11.2	8.9	9.6	7.0	8.1
1980	10.2	10.0	11.5	11.6	12.2	13.3	10.9	8.2	9.6

⁽¹⁾ Includes new houses, property taxes, and mortgage interest, but excludes the commodity component of shelter repairs.

Source: Statistics Canada, *Prices and Price Indexes*.

Reference Table 46
Energy Prices
1961 – 1980

Year	Consumer prices					Crude oil prices		Industrial electricity
	Gasoline	Natural gas	Electricity	Fuel oil	Total energy	Imported-CIF Montreal	Wellhead-FOB Edmonton	(> 5000 kwh)
	(Per cent change)					(Dollars per barrel)		(Per cent change)
1961.....	0.5	0.2	0.4	-3.8	—	2.10	2.75	—
1962.....	-0.2	0.7	-1.0	-1.9	—	2.32	2.86	—
1963.....	-1.3	0.0	0.2	-3.9	—	2.51	2.90	—
1964.....	4.4	0.0	-0.4	-4.9	—	2.47	2.90	—
1965.....	1.4	0.2	-1.6	0.0	—	2.47	2.90	—
1966.....	4.4	-0.4	0.1	-0.2	—	2.39	2.90	—
1967.....	2.4	0.1	7.3	1.8	—	2.64	2.90	—
1968.....	3.6	1.6	5.0	4.2	—	2.99	2.90	—
1969.....	2.5	-0.2	2.4	2.3	—	2.61	2.90	—
1970.....	2.3	-1.2	8.6	2.1	—	2.43	2.91	—
1971.....	3.5	1.5	3.4	9.6	—	2.95	3.15	—
1972.....	0.8	0.6	2.7	6.1	2.8	2.86	3.18	1.0
1973.....	6.8	1.6	8.1	15.7	9.0	3.95	3.79	6.0
1974.....	16.6	10.1	3.8	29.3	15.2	11.29	6.14	11.3
1975.....	13.2	20.8	11.6	13.5	13.5	12.59	7.94	10.4
1976.....	12.4	29.0	16.0	16.1	15.4	12.88	8.88	16.7
1977.....	8.6	13.1	17.0	15.5	12.2	15.16	10.67	30.5
1978.....	5.6	18.8	8.1	14.0	9.3	16.28	12.73	10.7
1979.....	10.2	5.4	8.7	12.4	9.8	22.66	13.76	9.6
1980.....	19.0	11.8	9.3	20.2	16.1	36.99	16.11	13.1

Source: Consumer prices are from Statistics Canada, *The Consumer Price Index*, cat. 62-001. Data for total energy are not published for the period prior to 1972.

Reference Table 47
Other Price Indexes
1961 – 1980
(1971 = 100)

Years	World commodity prices ⁽¹⁾		Industry selling price index			Building materials		Merchandise export prices	Merchandise import prices	Terms of trade ⁽²⁾
	Total	Food	Total	Food	Non-food	Residential	Non-residential			
D			500000	500001	634401	610002	476602	40641	40643	
(1971 = 100)										
1961.....	79.0	65.1	82.4	78.2	83.7	69.3	74.6	85.1	84.0	101.4
1962.....	77.2	63.1	83.3	79.8	84.4	69.7	74.0	88.8	87.9	101.1
1963.....	87.6	77.8	84.4	82.6	85.0	72.1	76.0	89.2	90.0	99.1
1964.....	94.8	84.7	85.1	83.1	85.8	75.8	79.6	91.0	90.5	100.6
1965.....	95.7	83.7	86.2	83.9	87.0	80.2	83.2	92.1	90.2	102.2
1966.....	100.5	85.1	88.7	88.4	88.8	83.9	86.1	94.3	91.9	102.6
1967.....	95.1	84.7	90.4	89.1	90.9	86.8	87.9	95.1	92.7	102.6
1968.....	93.6	83.4	92.3	90.3	93.0	91.5	90.0	96.2	94.8	101.5
1969.....	101.7	89.8	95.8	94.9	96.1	96.4	94.0	97.7	97.0	100.8
1970.....	107.2	101.8	98.1	97.2	98.3	95.3	96.6	100.6	98.6	102.0
1971.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972.....	129.4	134.8	104.4	108.6	103.4	109.8	104.9	103.3	102.3	101.0
1973.....	210.8	211.4	116.1	131.3	112.3	124.0	113.1	118.1	110.0	107.4
1974.....	259.1	283.2	138.1	155.0	133.8	135.2	137.3	157.1	135.6	115.9
1975.....	224.9	255.1	153.7	170.9	149.3	139.7	147.0	173.2	156.6	110.6
1976.....	263.3	296.3	161.5	173.7	158.3	153.6	156.6	176.6	157.9	111.8
1977.....	319.7	389.2	174.3	185.9	171.3	165.2	165.6	189.3	177.1	106.9
1978.....	336.1	405.0	190.4	205.6	186.4	184.1	179.4	206.0	201.0	102.5
1979.....	409.8	479.9	217.9	231.7	214.0	206.9	208.7	248.8	229.2	108.6
1980.....	482.7	592.2	247.1	256.6	244.2	214.7	230.0	289.2	266.2	108.6
(Per cent change)										
1961.....	-2.8	-2.3	0.3	2.2	—	-0.7	-1.0	0.7	3.0	-2.3
1962.....	-2.3	-3.0	1.1	2.0	0.8	0.6	-0.8	4.3	4.6	-0.3
1963.....	13.4	23.3	1.4	3.5	0.7	3.4	2.7	0.5	2.4	-1.9
1964.....	8.2	8.9	0.8	0.6	0.9	5.1	4.7	2.0	0.5	1.5
1965.....	1.0	-1.2	1.3	1.0	1.4	5.8	4.5	1.2	-0.3	1.6
1966.....	5.0	1.7	2.9	5.4	2.1	4.6	3.5	2.4	1.9	0.4
1967.....	-5.4	-0.5	2.0	0.8	2.4	3.5	2.1	0.8	0.9	—
1968.....	-1.6	-1.5	2.1	0.6	2.3	5.4	2.4	1.2	2.3	-1.1
1969.....	8.6	7.7	3.8	5.1	3.3	5.4	4.4	1.5	2.2	-0.7
1970.....	5.4	13.3	2.4	2.4	2.3	-1.1	2.8	2.9	1.7	1.2
1971.....	-6.7	-1.8	1.9	2.9	1.7	4.9	3.5	-0.6	1.4	-1.9
1972.....	29.3	34.8	4.4	8.6	3.4	9.8	4.9	3.3	2.4	0.9
1973.....	63.0	56.8	11.2	20.9	8.6	12.9	7.8	14.2	7.5	6.3
1974.....	22.9	34.0	19.0	18.1	19.1	9.0	21.4	33.0	23.3	8.2
1975.....	-13.2	-9.9	11.3	10.3	11.6	3.3	7.1	10.2	15.6	-4.7
1976.....	17.1	16.2	5.1	1.6	6.0	10.0	6.5	1.9	0.8	1.1
1977.....	21.4	31.3	7.9	7.0	8.2	7.6	5.7	7.2	12.1	-4.4
1978.....	5.1	4.1	9.2	10.6	8.8	11.4	8.4	8.8	13.6	-4.1
1979.....	21.9	18.5	14.5	12.7	14.8	12.4	16.3	20.8	14.0	6.0
1980.....	17.8	23.4	13.4	10.7	14.1	3.7	10.2	16.2	16.1	0.0

(1) *The Economist*.

(2) The index of the ratio of merchandise export prices to merchandise import prices.

Source: Statistics Canada, *Prices and Price Indexes*; Statistics Canada, *Trade of Canada Exports*, monthly, cat. 65-004; Statistics Canada, *Trade of Canada Imports*, monthly, cat. 65-007; and Statistics Canada, *Index Numbers of Farm Prices of Agricultural Products*, cat. 62-529.

Reference Table 48
An International Comparison of
Total Government and Central Government Total Expenditures
as Percentages of Gross Domestic or Gross National Product
1973 – 1978

	Average 1965-68	Average 1969-72	1973	1974	1975	1976	1977	1978
Total Government ⁽¹⁾								
Australia ⁽²⁾	26.2	26.4	26.9	30.3	32.4	33.0	—	—
Austria	37.4	38.4	38.8	40.2	43.3	44.4	44.7	—
Canada	31.8	36.4	36.5	37.9	41.3	40.2	41.3	41.7
Denmark	32.7	39.1	38.0	41.8	44.6	43.9	—	—
France	38.4	38.4	38.1	39.2	43.0	43.2	44.4	45.3
Germany	35.7	36.7	38.7	41.4	45.3	44.4	44.5	44.7
Italy	34.8	36.8	38.6	38.4	41.9	41.6	41.8	45.7
Japan	—	19.7	21.2	23.2	26.0	26.6	27.8	29.1
Netherlands ⁽³⁾	42.6	45.3	47.6	49.9	54.4	54.6	55.1	56.3
Norway ⁽⁴⁾	37.0	42.0	44.5	44.5	46.5	48.5	50.4	52.7
Sweden	38.3	44.3	46.1	49.2	50.9	54.1	60.0	61.5
United Kingdom	37.0	38.1	39.6	44.6	46.3	45.6	43.6	43.3
United States ⁽⁵⁾	30.1	32.4	31.9	33.5	35.9	35.0	34.1	33.3
Average ⁽⁶⁾	34.0	36.5	37.4	39.5	42.4	42.7	43.4	44.2
Central Government ⁽⁷⁾								
Australia ⁽²⁾	13.6	13.2	13.3	14.8	16.0	16.4	—	—
Austria	17.1	16.9	15.1	15.7	17.2	17.8	18.0	—
Canada								
Excluding C/QPP ..	13.3	14.0	14.3	15.4	16.8	15.8	16.2	16.6
Including C/QPP	13.3	14.2	14.6	15.8	17.3	16.4	16.9	17.4
France	18.8	17.9	16.9	17.0	18.3	18.0	18.3	18.5
Germany	9.7	9.2	9.3	9.4	10.7	10.4	10.4	10.6
Italy ⁽⁸⁾	—	15.9	15.9	15.7	17.2	17.2	18.1	20.5
Japan ⁽⁸⁾	—	5.0	5.2	5.6	5.9	6.2	6.6	6.9
Netherlands ⁽³⁾	14.0	14.4	14.5	14.8	16.2	16.2	16.3	16.7
Norway ⁽⁴⁾	25.0	29.1	31.0	31.2	32.5	34.0	34.4	36.4
Sweden ⁽²⁾	14.1	14.1	14.4	14.9	15.5	16.6	18.0	18.6
United Kingdom	19.7	19.9	20.3	23.4	24.1	24.1	23.7	24.2
United States ⁽⁵⁾	17.8	18.0	17.0	17.9	19.6	19.1	18.8	18.2
Average ⁽⁹⁾	15.3	15.7	15.6	16.4	17.5	17.7	18.0	18.6

⁽¹⁾ Includes all levels of government and the social security system, but excludes public corporations and public financial institutions.

⁽²⁾ Excludes social security benefits.

⁽³⁾ Data for 1968 instead of the average for 1965-68.

⁽⁴⁾ Average for 1967-68 instead of the average for 1965-68.

⁽⁵⁾ To conform to Canadian national accounts conventions and to facilitate Canada-United States comparisons, the current surpluses of government enterprises and the interest received by the government have been added to government expenditures. In the United States national accounts these items are netted out of subsidies and interest payments respectively.

⁽⁶⁾ The 1965-68 average is calculated under the assumption that the 1969-72 GDP expenditure share of Japan also prevailed during 1965-68. Similarly, the 1977 and 1978 averages are based on the assumption that the 1976 GDP expenditure shares of Australia and Denmark and the 1977 GDP expenditure share of Austria also prevailed in the following years.

⁽⁷⁾ Net of transfers to other levels of government.

⁽⁸⁾ Average for 1970-72 instead of the average for 1969-72.

⁽⁹⁾ The 1965-68 average is calculated under the assumption that 1969-72 GDP expenditure shares of Japan and Italy also prevailed during 1965-68. Similarly, the 1977 and 1978 average are based on the assumption that the 1976 GDP expenditure share of Australia and the 1977 GDP expenditure of Austria also prevailed in the following years. The averages for the whole period are based on Canadian estimates including C/QPP.

Source: OECD, *National Accounts of OECD Countries*, 1978, volume II; Statistics Canada, *National Income and Expenditure Accounts*, and for the U.S. *Economic Report of the President and the Survey of Current Business*.

Reference Table 49
 Total Government Revenues
 National Income and Expenditure Accounts Basis
 1947 – 1980

Years	Direct taxes persons	Direct taxes corporations	Withholding taxes	Indirect taxes	Transfers from persons	Investment income	Capital consumption allowances	Total CPP and QPP ⁽¹⁾	Total revenues ⁽²⁾
D	30516	30522	30525	30526	30530	30535	30548		
(Millions of dollars)									
1947.....	927	702	35	1,855	35	261	146	—	3,961
1948.....	986	687	41	1,907	47	261	171	—	4,100
1949.....	956	723	47	1,955	57	242	187	—	4,167
1950.....	915	993	54	2,129	62	280	201	—	4,634
1951.....	1,279	1,431	56	2,677	77	285	248	—	6,053
1952.....	1,588	1,403	55	2,901	82	368	265	—	6,662
1953.....	1,748	1,244	54	3,107	84	378	280	—	6,895
1954.....	1,776	1,115	58	3,131	73	373	293	—	6,819
1955.....	1,855	1,310	67	3,407	79	420	320	—	7,458
1956.....	2,127	1,443	69	3,858	97	537	365	—	8,496
1957.....	2,350	1,378	83	4,095	106	490	385	—	8,887
1958.....	2,214	1,350	48	4,186	124	542	404	—	8,868
1959.....	2,444	1,615	74	4,651	224	604	434	—	10,046
1960.....	2,794	1,588	79	4,901	234	649	465	—	10,710
1961.....	2,944	1,649	116	5,159	256	710	531	—	11,365
1962.....	3,180	1,753	125	5,807	268	784	574	—	12,491
1963.....	3,387	1,891	127	6,115	274	885	629	—	13,308
1964.....	3,917	2,100	140	6,877	316	978	676	—	15,004
1965.....	4,431	2,197	167	7,741	377	1,080	768	—	16,761
1966.....	5,792	2,355	204	8,669	401	1,241	864	724	19,526
1967.....	7,009	2,396	218	9,489	447	1,495	922	904	21,976
1968.....	8,244	2,852	209	10,303	613	1,765	988	1,040	24,974
1969.....	10,055	3,221	234	11,423	838	2,257	1,113	1,190	29,141
1970.....	11,547	3,070	269	12,055	1,077	2,705	1,231	1,327	31,954
1971.....	13,042	3,346	278	13,048	1,107	3,180	1,334	1,478	35,335
1972.....	14,631	3,920	287	14,760	1,036	3,690	1,495	1,657	39,819
1973.....	17,041	5,080	322	16,686	1,072	4,386	1,710	1,875	46,297
1974.....	21,197	7,051	430	20,876	1,125	5,916	2,161	2,313	58,756
1975.....	24,070	7,486	465	21,442	1,139	7,112	2,525	2,780	64,239
1976.....	28,353	7,113	504	24,864	1,480	8,357	2,825	3,282	73,496
1977.....	31,106	7,235	534	27,226	1,676	9,958	3,161	3,666	80,896
1978.....	32,732	8,534	582	29,316	1,953	12,084	3,526	4,231	88,727
1979.....	36,137	10,371	754	32,597	2,113	14,001	4,042	4,908	100,015
1980.....	41,538	11,495	995	36,249	2,248	16,440	4,613	5,675	113,578

(1) Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) employer-employee contributions and investment income included in total government direct taxes persons and investment income, respectively.

(2) Includes CPP and QPP. Excludes intergovernmental transfers.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 50
Total Government Expenditures
National Income and Expenditure Accounts Basis
1947 – 1980

Years	Goods and services	National defence ⁽¹⁾	Transfers to persons	Interest on the public debt	Subsidies	Capital assistance ⁽²⁾	Transfers to non-residents	Total CPP and QPP ⁽³⁾	Gross capital formation	Total expenditures ⁽⁴⁾	Deficit (-) or surplus
D	30560	31284	30565	30579	30572	30575	30578	—	30597	—	30609
(Millions of dollars)											
1947.....	1,343	227	834	559	177	6	46	—	233	3,198	763
1948.....	1,454	236	857	558	75	10	32	—	392	3,378	722
1949.....	1,722	361	942	572	77	13	15	—	483	3,824	343
1950.....	1,928	493	1,023	544	64	10	14	—	497	4,080	554
1951.....	2,811	1,157	1,024	609	129	13	21	—	620	5,227	826
1952.....	3,620	1,800	1,343	651	102	14	28	—	847	6,605	57
1953.....	3,824	1,907	1,449	620	113	14	37	—	755	6,812	83
1954.....	3,825	1,727	1,626	650	89	13	23	—	865	7,091	-272
1955.....	4,036	1,760	1,719	664	86	8	36	—	949	7,498	-40
1956.....	4,426	1,802	1,746	718	127	27	42	—	1,138	8,224	272
1957.....	4,573	1,765	2,052	774	120	29	52	—	1,306	8,906	-19
1958.....	4,854	1,661	2,605	826	150	18	67	—	1,426	9,946	-1,078
1959.....	4,976	1,559	2,721	1,023	250	22	85	—	1,570	10,647	-601
1960.....	5,281	1,546	3,090	1,093	314	17	74	—	1,511	11,380	-670
1961.....	6,206	1,613	2,709	1,184	321	21	77	—	1,682	12,200	-835
1962.....	6,608	1,680	2,912	1,316	361	41	59	—	1,900	13,197	-706
1963.....	6,982	1,572	2,979	1,431	401	77	89	—	1,973	13,932	-624
1964.....	7,593	1,584	3,175	1,546	436	92	95	—	1,968	14,905	99
1965.....	8,358	1,559	3,423	1,675	457	92	119	—	2,430	16,554	207
1966.....	9,748	1,709	3,750	1,862	639	65	195	15	2,842	19,101	425
1967.....	11,153	1,805	4,667	2,081	637	91	217	17	2,982	21,828	148
1968.....	12,684	1,812	5,473	2,391	641	100	170	37	3,013	24,472	502
1969.....	14,241	1,799	6,161	2,767	701	110	185	77	3,061	27,226	1,915
1970.....	16,630	1,868	6,985	3,250	756	123	244	134	3,160	31,148	806
1971.....	18,368	1,926	8,255	3,622	772	225	249	200	3,714	35,205	130
1972.....	20,291	1,963	9,918	4,137	884	245	279	284	3,984	39,738	81
1973.....	23,037	2,174	11,198	4,788	1,088	326	318	406	4,290	45,045	1,252
1974.....	27,816	2,548	13,880	5,425	2,619	326	407	542	5,488	55,961	2,795
1975.....	33,380	2,780	17,080	6,538	3,858	486	592	777	6,354	68,288	-4,049
1976.....	38,325	3,220	19,483	8,101	3,344	564	542	1,099	6,359	76,718	-3,222
1977.....	43,398	3,693	22,182	9,278	3,321	662	638	1,428	6,833	86,312	-5,416
1978.....	47,492	4,080	24,866	11,209	3,313	738	1,013	1,782	7,198	95,829	-7,102
1979.....	51,215	4,245	26,144	13,461	4,367	802	767	2,174	7,799	104,555	-4,540
1980.....	57,389	4,936	30,049	15,536	6,778	981	816	2,667	8,502	120,051	-6,473

(1) Included in goods and services.

(2) From 1961 on, this item is treated as government current expenditures; prior to 1961, it was treated as a capital transfer.

(3) CPP and QPP goods and services expenditures and benefit payments included in total government goods and services and transfers to persons and non-residents, respectively.

(4) Includes CPP and QPP. Excludes intergovernmental transfers.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 51
Federal Government Revenues
National Income and Expenditure Accounts Basis
1947 – 1980

Years	Direct taxes persons	Direct taxes corpora- tions	Withholding taxes	Indirect taxes	Transfers from persons	Investment income	Capital con- sumption allowances	Total revenues
D	30517	30523	30525	30527	30531	30536	30549	
(Millions of dollars)								
1947.....	825	631	35	1,136	4	102	43	2,776
1948.....	875	568	41	1,086	6	91	50	2,717
1949.....	841	593	47	1,048	7	109	54	2,699
1950.....	806	847	54	1,115	7	133	58	3,020
1951.....	1,158	1,242	56	1,494	6	143	66	4,165
1952.....	1,461	1,294	55	1,594	7	205	71	4,687
1953.....	1,613	1,168	54	1,697	2	200	75	4,809
1954.....	1,622	1,051	58	1,612	1	187	77	4,608
1955.....	1,647	1,248	67	1,743	1	220	82	5,008
1956.....	1,910	1,364	69	1,970	1	296	88	5,698
1957.....	2,105	1,170	83	1,989	2	230	93	5,672
1958.....	1,965	1,105	48	1,906	2	285	98	5,409
1959.....	2,183	1,340	74	2,120	2	316	104	6,139
1960.....	2,503	1,308	79	2,177	3	336	111	6,517
1961.....	2,629	1,345	116	2,188	2	382	117	6,779
1962.....	2,605	1,314	125	2,400	1	410	124	6,979
1963.....	2,730	1,412	127	2,449	2	471	132	7,323
1964.....	3,129	1,575	140	2,845	2	525	139	8,355
1965.....	3,332	1,652	167	3,245	3	545	151	9,095
1966.....	3,634	1,774	204	3,570	3	632	167	9,984
1967.....	4,305	1,758	218	3,705	3	738	179	10,906
1968.....	5,125	2,107	209	3,761	4	821	191	12,218
1969.....	6,503	2,402	234	4,028	2	1,108	213	14,490
1970.....	7,436	2,276	269	4,034	2	1,279	232	15,528
1971.....	8,299	2,477	278	4,480	4	1,458	245	17,241
1972.....	9,285	2,901	287	5,121	5	1,684	277	19,560
1973.....	10,861	3,644	322	5,837	6	1,827	312	22,809
1974.....	13,538	5,012	430	8,495	8	2,116	379	29,978
1975.....	15,231	5,372	465	7,882	8	2,304	441	31,703
1976.....	18,042	5,046	504	8,601	11	2,608	501	35,313
1977.....	17,735	5,174	534	9,085	13	3,118	555	36,214
1978.....	17,251	5,944	582	9,750	15	3,869	608	38,019
1979.....	19,809	7,166	754	10,661	20	4,421	687	43,518
1980.....	22,995	7,967	995	12,143	20	5,203	776	50,099

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 52
Federal Government Expenditures
National Income and Expenditure Accounts Basis
1947 – 1980

Years	Goods and services	National defence ⁽¹⁾	Transfers to persons	Interest on the public debt	Subsidies	Capital assistance ⁽²⁾	Transfer payments to non-residents	Transfers to other levels of government	Gross capital formation	Total expenditures	Deficit(-) or surplus
D	30561	31284	30566	30580	30573	30576	41974	459141	30598	—	30160
(Millions of dollars)											
1947	651	227	611	453	171	1	46	192	-36	2,089	687
1948	628	236	570	453	71	1	32	150	47	1,952	765
1949	757	361	583	461	73	1	15	187	138	2,215	484
1950	923	493	615	427	60	1	14	251	79	2,370	650
1951	1,634	1,157	580	486	124	0	21	259	90	3,194	971
1952	2,315	1,800	975	515	96	2	28	368	193	4,492	195
1953	2,462	1,907	1,043	471	106	1	37	412	126	4,658	151
1954	2,316	1,727	1,165	482	84	1	23	430	153	4,654	-46
1955	2,364	1,760	1,229	487	75	3	36	450	162	4,806	202
1956	2,517	1,802	1,221	516	118	16	42	485	185	5,100	598
1957	2,513	1,765	1,460	531	108	20	52	521	217	5,422	250
1958	2,524	1,661	1,893	568	131	13	67	663	317	6,176	-767
1959	2,387	1,559	1,782	733	229	19	85	880	363	6,478	-339
1960	2,426	1,546	1,973	753	283	15	74	994	228	6,746	-229
1961	2,584	1,613	2,005	786	285	18	77	1,128	306	7,189	-410
1962	2,688	1,680	2,110	865	322	38	59	1,134	270	7,486	-507
1963	2,617	1,572	2,134	935	355	74	89	1,169	236	7,609	-286
1964	2,750	1,584	2,241	995	379	89	95	1,252	209	8,010	345
1965	2,829	1,559	2,311	1,052	372	86	119	1,431	351	8,551	544
1966	3,267	1,709	2,484	1,151	500	62	195	1,664	430	9,753	231
1967	3,562	1,805	2,918	1,245	519	73	217	1,992	464	10,990	-84
1968	3,883	1,812	3,295	1,409	522	78	170	2,372	500	12,229	-11
1969	4,242	1,799	3,598	1,589	555	88	185	2,726	486	13,469	1,021
1970	4,551	1,868	4,057	1,862	589	97	244	3,397	465	15,262	266
1971	4,958	1,926	4,684	1,974	513	171	249	4,323	514	17,386	-145
1972	5,452	1,963	6,186	2,253	596	181	277	4,558	623	20,126	-566
1973	6,087	2,174	7,008	2,518	738	227	315	4,807	722	22,422	387
1974	7,408	2,548	8,705	2,961	2,060	193	403	6,165	974	28,869	1,109
1975	8,329	2,780	10,620	3,705	3,183	288	588	7,670	1,125	35,508	-3,805
1976	9,670	3,220	11,533	4,519	2,398	367	537	8,522	1,158	38,704	-3,391
1977	11,138	3,693	13,089	5,101	2,222	497	630	9,967	1,163	43,807	-7,593
1978	11,976	4,080	14,647	6,410	2,301	556	1,003	10,875	1,206	48,974	-10,955
1979	12,577	4,245	14,650	8,080	3,221	555	756	11,763	1,047	52,649	-9,131
1980	13,622	4,936	16,558	9,594	5,526	718	803	12,838	1,163	60,822	-10,723

(1) Included in goods and services.

(2) See note 2 on reference table 50.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 53
 Federal Government Expenditure by Envelope
 Expenditure Management System Basis

	1975/76	1976/77	1977/78	1978/79	1979/80
	(\$ millions)				
Energy	2,170	1,631	1,554	1,398	2,362
Economic development	5,161	4,739	4,996	5,024	5,371
Social affairs	17,131	18,605	20,408	22,114	22,690
Justice and legal	676	773	915	1,014	1,037
Fiscal transfers	2,604	3,184	3,196	2,999	3,635
External affairs	1,116	1,123	1,257	1,353	1,404
Defence	2,973	3,382	3,785	4,108	4,389
Parliament	68	73	89	92	99
Services to government	2,463	2,765	3,175	3,384	3,451
Sub-total	34,362	36,275	39,375	41,486	44,438
Public debt	3,972	4,721	5,550	7,058	8,524
Total outlays	38,334	40,996	44,925	48,544	52,962

Source: Department of Finance.

Reference Table 54
Federal Government Debt
Public Accounts Basis⁽¹⁾

Year	Gross debt	Net debt	Unmatured debt	Public debt charges	
				Gross	Net
(\$ millions)					
1952.....	16,972	11,185	13,949	531	413
1957.....	17,792	11,009	13,573	534	327
1962.....	22,100	13,227	16,883	839	532
1963.....	23,838	13,962	17,950	918	606
1964.....	25,415	15,170	18,740	994	627
1965.....	26,288	15,530	18,935	1,051	629
1966.....	26,845	15,326	18,966	1,111	673
1967.....	28,471	15,535	19,681	1,191	671
1968.....	30,525	16,224	20,284	1,301	689
1969.....	32,572	16,715	21,725	1,480	785
1970.....	33,691	16,222	22,184	1,717	857
1971.....	37,669	16,594	24,886	1,920	920
1972 ⁽²⁾	41,329	18,811	27,259	2,137	1,004
1973.....	44,475	19,810	29,039	2,301	1,036
1974.....	47,037	21,194	29,171	2,566	1,077
1975.....	52,283	22,927	33,086	3,239	1,408
1976.....	59,384	28,390	37,697	3,972	1,875
1977.....	66,756	34,600	42,519	4,721	2,309
1978.....	79,916	44,889	51,567	5,550	2,958
1979.....	98,023	57,115	66,591	7,058	3,902
1980.....	106,199	68,595	72,121	8,524	5,180
(Per cent of GNP) ⁽³⁾					
1952.....	78.4	51.7	64.5	2.5	1.9
1957.....	55.5	34.3	42.3	1.7	1.0
1962.....	55.7	33.4	42.6	2.1	1.3
1963.....	55.5	32.5	41.8	2.1	1.4
1964.....	55.3	33.0	40.8	2.2	1.4
1965.....	52.3	30.9	37.7	2.1	1.3
1966.....	48.5	27.7	34.3	2.0	1.2
1967.....	46.0	25.1	31.8	1.9	1.1
1968.....	46.0	24.4	30.5	2.0	1.0
1969.....	44.9	23.0	29.9	2.0	1.1
1970.....	42.2	20.3	27.8	2.2	1.1
1971.....	44.0	19.4	29.0	2.2	1.1
1972.....	43.8	19.9	28.9	2.3	1.1
1973.....	42.3	18.8	27.6	2.2	1.0
1974.....	38.1	17.2	23.6	2.1	0.9
1975.....	35.4	15.5	22.4	2.2	1.0
1976.....	35.9	17.2	22.8	2.4	1.1
1977.....	34.9	18.1	22.3	2.5	1.2
1978.....	38.3	21.5	24.7	2.7	1.4
1979.....	42.7	24.9	29.0	3.1	1.7
1980.....	40.8	26.4	27.7	3.3	2.0

⁽¹⁾ As at March 31 of each year.

⁽²⁾ Data for gross debt and net debt for years prior to 1972 are not entirely consistent with those for later years due to recent changes in accounting practices. Revised data are available only from March 1972.

⁽³⁾ Calculated using GNP of calendar year preceding the fiscal year end.

Source: *Public Accounts of Canada*.

Reference Table 55
 Actual and Cyclically Adjusted Budget Balances
 Federal and Consolidated Government Sectors
 National Income and Expenditure Accounts Basis
 1953 – 1980

Years	Actual balances (surplus or deficit (–))		Cyclically adjusted balances (surplus or deficit (–))		Actual balances (surplus or deficit (–))		Cyclically adjusted balances (surplus or deficit (–))	
	Federal government	All governments	Federal government	All governments	Federal government	All governments	Federal government	All governments
	(\$ millions)				(Per cent of GNP) ⁽¹⁾			
1953	151	83	–302	–402	0.6	0.3	–1.2	–1.6
1954	–46	–272	13	–204	–0.2	–1.1	0.1	–0.8
1955	202	–40	6	–251	0.7	–0.1	0.0	–0.9
1956	598	272	68	–302	1.9	0.9	0.2	–1.0
1957	250	–19	30	–271	0.8	–0.1	0.1	–0.8
1958	–767	–1,078	–561	–862	–2.2	–3.1	–1.6	–2.5
1959	–339	–601	–128	–366	–0.9	–1.6	–0.3	–1.0
1960	–229	–670	205	–185	–0.6	–1.8	0.5	–0.5
1961	–410	–835	221	–110	–1.0	–2.1	0.5	–0.3
1962	–507	–706	–178	–301	–1.2	–1.6	–0.4	–0.7
1963	–286	–624	–46	–319	–0.6	–1.4	–0.1	–0.7
1964	345	99	322	82	0.7	0.2	0.6	0.2
1965	544	207	347	–27	1.0	0.4	0.6	–0.1
1966	231	425	–201	–131	0.4	0.7	–0.3	–0.2
1967	–84	148	–241	–37	–0.1	0.2	–0.4	–0.1
1968	–11	502	–146	325	–0.0	0.7	–0.2	0.5
1969	1,021	1,915	737	1,547	1.3	2.4	0.9	2.0
1970	266	806	535	1,187	0.3	0.9	0.6	1.4
Average 1961 to 1970	111	194	135	222	0.1	0.0	0.2	0.2
1971	–145	130	1	318	–0.2	0.1	0.0	0.3
1972	–566	81	–655	–80	–0.5	0.1	–0.6	–0.1
1973	387	1,252	–573	–49	0.3	1.0	–0.5	–0.0
1974	1,109	2,795	34	1,365	0.8	1.9	0.0	0.9
1975	–3,805	–4,049	–3,218	–3,273	–2.3	–2.5	–1.9	–2.0
1976	–3,391	–3,222	–3,387	–3,297	–1.8	–1.7	–1.8	–1.7
1977	–7,593	–5,416	–6,419	–3,940	–3.6	–2.6	–3.0	–1.9
1978	–10,955	–7,102	–9,269	–4,952	–4.8	–3.1	–4.0	–2.1
1979	–9,131	–4,540	–7,333	–1,912	–3.5	–1.7	–2.7	–0.7
1980	–10,723	–6,473	–6,498	–5	–3.7	–2.3	–2.1	–0.0
Average 1971 to 1980	–4,481	–2,654	–3,732	–1,583	–2.5	–1.5	–2.0	–0.9

⁽¹⁾ Actual balances are taken as a percentage of actual GNP while cyclically adjusted balances are taken as a percentage of cyclically adjusted GNP.

Source: Statistics Canada, *National Income and Expenditure Accounts*, and Department of Finance.

Reference Table 56
Provincial Government Revenues
National Income and Expenditure Accounts Basis
1947 – 1980

Years	Direct taxes persons	Direct taxes cor- porations	Indirect taxes	Transfers from persons	Investment income	Transfers from other levels of government	Capital con- sumption allowances	Total revenues
D	40060 40298	40067 40305	40072 40310	40076 40314	40081 40319		40101 40339	
(Millions of dollars)								
1947	97	71	359	28	101	199	44	899
1948	105	119	418	37	111	159	53	1,002
1949	109	130	462	46	79	197	59	1,082
1950	102	146	515	51	89	261	62	1,226
1951	121	189	575	60	117	270	80	1,412
1952	127	109	607	61	140	378	81	1,503
1953	135	76	652	64	154	424	83	1,588
1954	154	64	690	56	165	443	88	1,660
1955	208	62	762	59	186	465	100	1,842
1956	217	79	864	72	221	494	125	2,072
1957	245	208	958	78	240	533	129	2,391
1958	249	245	1,016	94	234	657	132	2,627
1959	261	275	1,087	191	264	880	143	3,101
1960	291	280	1,131	197	287	979	154	3,319
1961	315	304	1,270	211	298	1,110	156	3,664
1962	575	439	1,572	217	341	1,105	172	4,421
1963	657	479	1,713	225	372	1,134	193	4,773
1964	788	525	2,006	261	398	1,217	211	5,406
1965	1,099	545	2,265	313	474	1,379	253	6,328
1966	1,444	581	2,622	331	516	1,593	288	7,375
1967	1,855	638	3,019	367	603	1,951	300	8,733
1968	2,194	745	3,447	541	720	2,320	319	10,286
1969	2,545	819	3,933	776	863	2,678	357	11,971
1970	3,057	794	4,263	1,007	1,032	3,347	395	13,895
1971	3,640	869	4,566	1,031	1,202	4,274	436	16,018
1972	4,156	1,019	5,261	956	1,380	4,449	481	17,702
1973	4,875	1,436	6,198	984	1,812	4,734	575	20,614
1974	6,051	2,039	7,236	1,038	2,897	6,054	778	26,093
1975	6,933	2,114	7,547	1,046	3,701	7,577	912	29,830
1976	8,106	2,067	9,077	1,348	4,375	8,369	1,001	34,343
1977	10,958	2,061	10,038	1,526	5,238	9,665	1,115	40,601
1978	12,755	2,590	10,508	1,785	6,321	10,569	1,260	45,788
1979	13,241	3,205	12,111	1,930	7,345	11,468	1,456	50,756
1980	15,002	3,528	13,297	2,051	8,654	12,601	1,671	56,804

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 57
 Provincial Government Expenditures
 National Income and Expenditure Accounts Basis
 1947 – 1980

Years	Goods and services	Transfers to persons	Interest on the public debt	Subsidies	Capital assistance	Transfers to other levels of government	Gross capital formation	Total expenditures	Deficit (-) or surplus
D	40114 40352	40119 40357	40133 40371	40126 40364	40129 40367		40158 40396		40170 40408
(Millions of dollars)									
1947	268	204	68	6	5	101	152	804	95
1948	318	266	68	4	9	129	193	987	15
1949	387	336	72	4	12	157	172	1,140	-58
1950	391	384	75	4	9	171	196	1,230	-4
1951	470	416	78	5	13	197	229	1,408	4
1952	502	334	83	6	12	215	290	1,442	61
1953	498	368	88	7	13	242	265	1,481	107
1954	519	417	94	5	12	259	301	1,607	53
1955	578	449	93	11	5	327	351	1,814	28
1956	688	485	101	9	11	362	460	2,116	-44
1957	703	547	116	12	9	452	536	2,375	16
1958	816	658	115	19	5	545	519	2,677	-50
1959	907	874	121	21	3	622	566	3,114	-13
1960	986	1,044	143	31	2	714	612	3,532	-213
1961	1,040	625	160	36	3	1,535	546	3,945	-281
1962	1,063	718	184	39	3	1,845	625	4,477	-56
1963	1,209	759	212	46	3	1,984	659	4,872	-99
1964	1,322	849	238	57	3	2,242	776	5,487	-81
1965	1,507	1,024	271	85	6	2,560	875	6,328	0
1966	1,890	1,173	317	139	3	3,041	986	7,549	-174
1967	2,307	1,647	385	118	18	3,546	1,046	9,067	-334
1968	2,716	2,030	485	119	22	4,012	958	10,342	-56
1969	2,957	2,369	638	146	22	4,495	1,025	11,652	319
1970	4,109	2,611	759	167	26	5,406	1,046	14,124	-229
1971	4,708	3,139	920	259	54	5,999	1,409	16,488	-470
1972	5,297	3,238	1,127	288	64	6,823	1,556	18,393	-691
1973	6,112	3,574	1,404	350	99	7,540	1,637	20,716	-102
1974	7,539	4,464	1,545	559	133	9,132	2,069	25,441	652
1975	9,634	5,482	1,839	675	198	11,340	2,418	31,586	-1,756
1976	10,796	6,642	2,327	946	197	12,796	2,182	35,886	-1,543
1977	12,412	7,469	2,690	1,099	165	15,241	2,384	41,460	-859
1978	13,640	8,227	3,132	1,012	182	15,762	2,653	44,608	1,180
1979	14,588	9,079	3,571	1,146	247	18,102	3,052	49,785	971
1980	16,616	10,563	4,006	1,252	263	19,216	3,299	55,215	1,589

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 58
Gross Provincial Expenditure
1962 – 1979

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
D	31720	31742	31764	31786	31808	31830	31852	31874	31896	44014	31940	31698
(Millions of dollars)												
1962 ..	533	124	1,121	830	11,449	17,811	2,021	2,047	3,432	4,296	83	43,749
1963	581	129	1,175	878	12,081	19,009	2,113	2,417	3,700	4,618	90	46,791
1964	651	142	1,260	985	13,392	20,876	2,288	2,313	3,964	5,096	94	51,062
1965	708	154	1,352	1,076	14,691	22,888	2,458	2,520	4,391	5,730	126	56,095
1966	805	165	1,492	1,184	16,292	25,594	2,629	2,981	5,009	6,413	143	62,706
1967	854	176	1,628	1,258	17,621	27,873	2,854	2,738	5,382	7,008	153	67,547
1968	969	200	1,799	1,384	18,802	30,683	3,154	2,910	5,973	7,688	180	73,740
1969	1,070	216	2,055	1,510	20,534	33,944	3,435	3,128	6,594	8,722	202	81,410
1970	1,195	240	2,211	1,632	21,931	36,258	3,647	3,025	7,166	9,116	227	86,648
1971	1,294	256	2,363	1,784	23,620	39,829	3,948	3,507	7,951	10,289	228	95,071
1972	1,341	288	2,699	2,054	26,258	44,762	4,369	3,654	9,016	11,796	280	106,517
1973	1,585	367	3,125	2,410	30,006	51,548	5,205	4,726	11,311	14,677	379	125,339
1974	1,892	382	3,558	2,835	35,451	60,363	6,167	6,268	15,739	17,260	492	150,407
1975	2,134	455	3,989	3,232	39,762	66,230	6,967	7,086	18,796	19,054	483	168,186
1976	2,535	522	4,634	3,657	46,242	76,038	7,930	7,913	21,364	22,656	482	193,974
1977	2,847	560	5,059	3,957	49,996	83,067	8,353	8,341	24,346	25,182	610	212,316
1978	3,052	640	5,648	4,405	55,395	90,130	9,224	9,475	28,140	27,904	720	234,735
1979	3,561	709	6,252	4,911	62,129	101,594	10,248	11,082	33,874	32,584	788	267,732
(Per cent change)												
1963	8.9	3.9	4.8	5.7	5.5	6.7	4.6	18.1	7.8	7.5	8.0	7.0
1964	12.1	10.3	7.3	12.3	10.8	9.8	8.2	-4.3	7.2	10.3	4.9	9.1
1965	8.6	8.7	7.3	9.3	9.7	9.6	7.4	8.9	10.8	12.4	33.7	9.9
1966	13.7	7.3	10.3	10.1	10.9	11.8	6.9	18.3	14.1	11.9	12.9	11.8
1967	6.2	6.3	9.1	6.2	8.2	8.9	8.6	-8.1	7.5	9.3	7.6	7.7
1968	13.5	13.4	10.5	10.0	6.7	10.1	10.5	6.3	11.0	9.7	17.1	9.2
1969	10.4	8.2	14.2	9.1	9.2	10.6	8.9	7.5	10.4	13.5	12.2	10.4
1970	11.7	11.0	7.6	8.1	6.8	6.8	6.2	-3.3	8.7	4.5	12.5	6.4
1971	8.3	6.9	6.9	9.4	7.7	9.8	8.3	15.9	11.0	12.9	.5	9.7
1972	3.6	12.6	14.2	15.1	11.2	12.4	10.7	4.2	13.4	14.6	22.5	12.0
1973	18.2	27.2	15.8	17.4	14.3	15.2	19.1	29.3	25.5	24.4	35.5	17.7
1974	19.4	4.1	13.9	17.6	18.1	17.1	18.5	32.6	39.1	17.6	30.0	20.0
1975	12.8	19.2	12.1	14.0	12.2	9.7	13.0	13.1	19.4	10.4	-2.0	11.8
1976	18.8	14.7	16.2	13.2	16.3	14.8	13.8	11.7	13.7	18.9	-0.2	15.3
1977	12.3	7.2	9.2	8.2	8.1	9.2	5.3	5.4	14.0	11.1	26.3	9.5
1978	7.2	14.4	11.6	11.3	10.8	8.5	10.4	13.6	15.6	10.8	18.2	10.6
1979	16.7	10.8	10.7	11.5	12.2	12.7	11.1	17.0	20.4	16.8	9.4	14.1

Source: Statistics Canada, *Provincial Economic Accounts*, annual, cat. 13-213.

Reference Table 59
Percentage Distribution of Gross Provincial Expenditure
1962 – 1979

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
(Percentage distribution of total among provinces)												
1962	1.2	0.3	2.6	1.9	26.2	40.7	4.6	4.7	7.8	9.8	0.2	100.0
1963	1.2	0.3	2.5	1.9	25.8	40.6	4.5	5.2	7.9	9.9	0.2	100.0
1964	1.3	0.3	2.5	1.9	26.2	40.9	4.5	4.5	7.8	10.0	0.2	100.0
1965	1.3	0.3	2.4	1.9	26.2	40.8	4.4	4.5	7.8	10.2	0.2	100.0
1966	1.3	0.3	2.4	1.9	26.0	40.8	4.2	4.8	8.0	10.2	0.2	100.0
1967	1.3	0.3	2.4	1.9	26.1	41.3	4.2	4.1	8.0	10.4	0.2	100.0
1968	1.3	0.3	2.4	1.9	25.5	41.6	4.3	3.9	8.1	10.4	0.2	100.0
1969	1.3	0.3	2.5	1.9	25.2	41.7	4.2	3.8	8.1	10.7	0.2	100.0
1970	1.4	0.3	2.6	1.9	25.3	41.8	4.2	3.5	8.3	10.5	0.3	100.0
1971	1.4	0.3	2.5	1.9	24.8	41.9	4.2	3.7	8.4	10.8	0.2	100.0
1972	1.3	0.3	2.5	1.9	24.7	42.0	4.1	3.4	8.5	11.1	0.3	100.0
1973	1.3	0.3	2.5	1.9	23.9	41.1	4.2	3.8	9.0	11.7	0.3	100.0
1974	1.3	0.3	2.4	1.9	23.6	40.1	4.1	4.2	10.5	11.5	0.3	100.0
1975	1.3	0.3	2.4	1.9	23.6	39.4	4.1	4.2	11.2	11.3	0.3	100.0
1976	1.3	0.3	2.4	1.9	23.8	39.2	4.1	4.1	11.0	11.7	0.2	100.0
1977	1.3	0.3	2.4	1.9	23.5	39.1	3.9	3.9	11.5	11.9	0.3	100.0
1978	1.3	0.3	2.4	1.9	23.6	38.4	3.9	4.0	12.0	11.9	0.3	100.0
1979	1.3	0.3	2.3	1.8	23.2	37.9	3.8	4.1	12.7	12.2	0.3	100.0

Source: Statistics Canada, *Provincial Economic Accounts*.

Reference Table 60
Local Government Revenues
National Income and Expenditure Accounts Basis
1947 – 1980

Years	Direct taxes	Indirect taxes	Investment income	Transfers from persons	Transfers from other levels of government	Capital consumption allowances	Total revenues
D		40073 40311	40082 40320	40077 40315		40102 40340	
(Millions of dollars)							
1947	5	360	58	3	101	59	586
1948	6	403	59	4	129	68	669
1949	6	445	54	4	157	74	740
1950	7	499	58	4	172	81	821
1951	—	608	25	11	199	102	945
1952	—	700	23	14	218	113	1,068
1953	—	758	24	18	245	122	1,167
1954	—	829	21	16	261	128	1,255
1955	—	902	14	19	334	138	1,407
1956	—	1,024	20	24	371	152	1,591
1957	—	1,148	20	26	468	163	1,825
1958	—	1,264	23	28	568	174	2,057
1959	—	1,444	24	31	646	187	2,332
1960	—	1,593	26	34	746	200	2,599
1961	—	1,701	28	41	874	212	2,856
1962	—	1,835	31	47	1,107	229	3,249
1963	—	1,953	39	44	1,200	250	3,486
1964	—	2,026	52	50	1,342	268	3,738
1965	—	2,231	58	58	1,514	299	4,160
1966	—	2,477	79	64	1,868	336	4,824
1967	—	2,765	95	74	2,122	364	5,420
1968	—	3,095	105	65	2,354	393	6,012
1969	—	3,462	99	56	2,595	450	6,662
1970	—	3,758	116	64	3,192	500	7,630
1971	—	4,002	140	68	3,583	538	8,331
1972	—	4,378	153	71	4,069	612	9,283
1973	—	4,651	170	78	4,501	683	10,083
1974	—	5,145	187	75	5,308	840	11,555
1975	—	6,013	223	81	6,703	986	14,006
1976	—	7,186	271	99	7,367	1,118	16,041
1977	—	8,103	317	112	9,238	1,267	19,037
1978	—	9,058	354	126	9,454	1,411	20,403
1979	—	9,825	376	134	11,299	1,619	23,253
1980	—	10,809	407	143	11,771	1,849	24,979

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 61
 Local Government Expenditures
 National Income and Expenditure Accounts Basis
 1947 – 1980

Years	Goods and services	Transfers to persons	Interest on the public debt	Transfers to other levels of government	Gross capital formation	Total expenditures	Deficit(-) or surplus
D	40115 40353	40120 40359	40134 40372		40159 40397		40171 40409
(Millions of dollars)							
1947	424	19	38	7	117	605	– 19
1948	508	21	37	9	152	727	– 58
1949	578	23	39	10	173	823	– 83
1950	614	24	42	11	222	913	– 92
1951	707	28	45	13	301	1,094	– 149
1952	803	34	53	13	364	1,267	– 199
1953	864	38	61	15	364	1,342	– 175
1954	990	44	74	15	411	1,534	– 279
1955	1,094	41	84	22	436	1,677	– 270
1956	1,221	40	101	18	493	1,873	– 282
1957	1,357	45	127	28	553	2,110	– 285
1958	1,514	54	143	17	590	2,318	– 261
1959	1,682	65	169	24	641	2,581	– 249
1960	1,869	73	197	17	671	2,827	– 228
1961	1,968	79	223	34	680	2,984	– 128
1962	2,174	84	251	28	847	3,384	– 135
1963	2,373	86	266	33	926	3,684	– 198
1964	2,635	85	294	31	834	3,879	– 141
1965	3,015	88	333	37	1,054	4,527	– 367
1966	3,399	93	373	51	1,235	5,151	– 327
1967	3,881	102	430	70	1,274	5,757	– 337
1968	4,438	133	475	64	1,338	6,448	– 436
1969	5,142	143	516	66	1,337	7,204	– 542
1970	5,803	213	595	64	1,425	8,100	– 470
1971	6,277	260	695	64	1,550	8,846	– 515
1972	6,836	246	721	69	1,582	9,454	– 171
1973	7,757	250	825	60	1,676	10,568	– 485
1974	9,072	216	873	61	2,152	12,374	– 819
1975	10,801	257	943	70	2,503	14,574	– 568
1976	12,600	272	1,194	71	2,673	16,810	– 769
1977	14,148	268	1,411	70	2,940	18,837	200
1978	15,610	291	1,587	62	2,934	20,484	– 81
1979	17,135	326	1,726	69	3,243	22,499	754
1980	19,048	361	1,847	79	3,509	24,844	135

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 62
Hospital Revenues and Expenditures
National Income and Expenditure Accounts Basis
1961 – 1980

Years	Revenues					Expenditures				Deficit(-) or surplus
	Invest- ment income	Transfers from other levels of government	Transfers from persons	Capital consumption allowances	Total revenues	Goods and services	Interest on the public debt	Gross capital forma- tion	Total expendi- tures	
D	40083 40321		40078 40316	40103 40341		40116 40354	40555 40558	40160 40398		40172 40410
(Millions of dollars)										
1961	2	713	2	46	763	614	15	150	779	- 16
1962	2	795	3	49	849	683	16	158	857	- 8
1963	3	852	3	54	912	783	18	152	953	- 41
1964	3	966	3	58	1,030	886	19	149	1,054	- 24
1965	3	1,135	3	65	1,206	1,007	19	150	1,176	30
1966	4	1,295	3	73	1,375	1,177	21	191	1,389	- 14
1967	4	1,535	3	79	1,621	1,386	21	198	1,605	16
1968	4	1,774	3	85	1,866	1,625	22	217	1,864	2
1969	4	2,014	4	93	2,115	1,874	24	213	2,111	4
1970	5	2,328	4	104	2,441	2,137	34	224	2,395	46
1971	5	2,529	4	115	2,653	2,397	33	241	2,671	- 18
1972	6	2,932	4	125	3,067	2,672	36	223	2,931	136
1973	7	3,172	4	140	3,323	3,044	41	255	3,340	- 17
1974	11	3,996	4	164	4,175	3,754	46	293	4,093	82
1975	10	4,800	4	186	5,000	4,564	51	308	4,923	77
1976	26	5,653	22	205	5,906	5,201	61	346	5,608	298
1977	32	6,375	25	224	6,656	5,636	76	346	6,058	598
1978	35	6,676	27	247	6,985	6,195	80	405	6,680	305
1979	38	7,167	29	280	7,514	6,841	84	457	7,382	132
1980	42	7,761	34	317	8,154	8,016	89	531	8,636	- 482

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 63
Federal Government
Liabilities and Assets
Financial Flow Accounts Basis
1964 — 1979

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
	(Millions of dollars)															
Liabilities																
Currency and deposits	282	319	344	380	446	480	504	529	554	618	704	773	821	882	962	1,050
Payables	21	30	41	32	34	50	62	65	57	50	81	92	68	119	173	167
Loans	19	27	164	271	209	65	11	59	85	147	207	262	250	253	3,832	2,104
Pensions ⁽¹⁾	1,258	1,272	1,280	1,284	1,285	1,283	1,277	1,266	1,265	1,238	1,218	1,197	1,173	1,187	1,162	1,149
Claims by associated enterprises	26	33	96	73	100	118	132	147	167	184	243	313	331	353	440	477
Other liabilities	685	796	865	1,006	1,281	1,173	1,581	1,856	2,558	2,703	3,442	3,860	3,965	3,567	4,449	5,061
Unmatured debt	19,345	19,286	19,728	20,779	22,231	22,797	24,655	27,431	29,021	28,915	33,294	37,280	41,468	49,601	60,208	68,334
Total liabilities	21,636	21,763	22,518	23,825	25,586	25,966	28,222	31,353	33,707	33,855	39,189	43,777	48,076	55,962	71,226	78,342
Financial assets																
Currency and deposits	576	654	671	335	336	1,057	1,143	1,905	2,163	1,687	4,246	3,494	2,671	4,020	5,985	1,709
Receivables	8	7	6	6	6	8	9	10	19	20	30	52	55	77	105	153
Loans	1,591	1,658	1,880	2,053	2,270	2,445	2,648	3,085	3,412	4,076	4,555	5,083	5,493	6,095	6,570	7,130
Finance and other short-term paper	—	5	7	12	10	11	6	8	13	12	12	18	18	26	18	6
Mortgages	272	293	343	404	457	525	548	556	553	552	569	554	519	479	427	377
Bonds and treasury bills																
Federal government	410	198	482	419	544	559	511	33	39	20	20	20	31	25	19	162
Provincial governments	14	15	15	12	21	20	12	18	15	17	15	14	12	14	16	17
Municipal bonds	10	9	9	7	—	—	11	—	—	—	—	—	—	—	—	—
Other	8	10	10	8	14	19	23	25	27	29	35	39	37	36	29	30
Claims on associated enterprises	8,709	9,505	9,870	11,247	12,350	13,171	15,385	17,437	18,519	18,765	20,650	21,782	24,121	24,757	26,255	26,549
Stocks	6	7	10	15	19	26	53	76	100	127	145	250	206	141	58	54
Foreign investments	225	198	180	168	92	60	28	3	5	5	13	6	5	4	3	5
Other financial assets	1,522	1,508	1,573	1,533	1,763	1,433	1,208	1,394	1,602	1,921	2,838	2,930	2,456	1,911	1,900	2,618
Total financial assets	13,351	14,067	15,056	16,219	17,882	19,334	21,585	24,550	26,467	27,231	33,138	34,242	35,624	37,585	41,385	38,810
Excess of liabilities over financial assets ..	8,285	7,696	7,462	7,606	7,704	6,632	6,637	6,803	7,240	6,624	6,051	9,535	12,452	18,377	29,841	39,532

⁽¹⁾ This mainly represents the balance in government annuities.

Source: Statistics Canada, *Financial Flow Accounts*.

Reference Table 64
Provincial and Local Governments and Hospitals
Liabilities and Assets
Financial Flow Accounts Basis
1964 – 1979

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
	(Millions of dollars)															
Liabilities																
Payables.....	169	253	343	423	475	502	653	656	755	791	1,012	1,158	1,319	1,112	1,438	2,396
Loans.....	729	980	1,383	1,592	1,761	1,987	2,198	2,158	2,520	3,245	4,139	4,626	4,730	4,962	5,525	5,835
Finance and other short-term paper	—	—	—	—	—	118	174	313	435	343	230	634	318	298	550	319
Mortgages.....	80	86	99	121	190	143	159	157	177	158	188	187	136	85	85	85
Claims by associated enterprises	39	67	68	73	80	77	191	232	385	353	437	549	714	762	784	884
Other liabilities.....	1,483	1,539	1,603	1,643	1,655	1,685	1,892	1,999	1,717	2,386	2,621	2,658	3,348	4,050	4,483	5,083
Unmatured debt																
Provincial governments.....	5,562	6,038	6,885	8,098	9,431	10,757	12,208	13,774	15,860	17,443	19,729	23,451	27,219	31,551	36,173	39,818
Municipal governments.....	5,489	5,867	6,615	7,527	8,147	8,674	9,221	10,025	10,679	11,372	12,278	13,878	15,219	17,261	18,880	19,992
Other.....	253	281	311	342	351	391	388	400	408	412	448	474	509	553	613	640
Total liabilities.....	13,784	15,111	17,307	19,819	22,090	24,334	27,084	29,714	32,936	36,503	41,062	47,615	53,512	60,634	68,531	75,052
Financial assets																
Currency and deposits.....	741	677	690	647	791	1,256	1,529	1,422	2,123	2,361	2,597	1,953	2,797	3,208	4,870	7,629
Receivables.....	73	82	121	145	160	188	224	240	295	301	358	525	659	781	898	1,015
Loans.....	88	143	344	472	555	631	1,458	1,746	1,950	2,183	2,316	2,567	2,810	2,924	2,969	3,087
Finance and other short-term paper	11	13	16	14	17	21	34	45	66	79	83	85	163	242	321	400
Mortgages.....	235	260	277	284	356	462	660	924	1,103	1,291	1,580	1,922	2,281	2,530	2,505	2,508
Bonds and treasury bills																
Federal government.....	367	335	318	293	326	305	268	238	217	207	186	214	352	498	861	1,231
Provincial governments.....	1,250	1,406	1,555	1,647	1,712	1,919	1,889	1,892	1,994	2,136	2,452	3,248	3,921	4,981	6,092	6,497
Municipal governments.....	949	1,102	1,397	1,758	2,138	2,472	2,870	3,237	3,547	3,774	4,328	4,847	5,422	6,001	6,562	6,587
Other.....	205	308	434	525	692	948	238	314	303	260	286	476	744	947	1,059	1,135
Claims on associated enterprises.....	1,560	1,759	1,930	2,224	2,490	2,961	3,845	4,188	4,639	5,054	6,179	7,592	7,673	9,325	10,952	12,112
Stocks.....	10	15	13	16	31	45	168	173	159	124	213	229	252	277	298	329
Other financial assets.....	2,008	2,103	2,229	2,270	2,428	2,534	2,564	2,772	2,287	3,425	4,145	3,851	3,449	4,453	4,466	7,436
Total financial assets.....	7,497	8,203	9,324	10,295	11,696	13,742	15,747	17,191	18,683	21,195	24,723	27,509	30,523	36,167	43,853	49,966
Excess of liabilities over financial assets.....	6,287	6,908	7,983	9,524	10,394	10,592	11,337	12,523	14,253	15,308	16,339	20,106	22,989	24,467	24,678	25,086

Source: Statistics Canada, *Financial Flow Accounts*.

Reference Table 65
Government of Canada
Statement of Financial Transactions
Summary
(Fiscal year ended March 31)
1971 – 1980

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
			(Millions of dollars)							
I Budgetary transactions										
A Revenues	14,717	16,344	18,821	21,826	28,067	29,956	32,635	32,866	35,216	40,054
B Expenditures	– 15,089	– 17,046	– 19,820	– 23,210	– 29,800	– 35,419	– 38,845	– 43,155	– 47,442	– 51,534
Surplus or deficit (–)	– 372	– 702	– 999	– 1,384	– 1,733	– 5,463	– 6,210	– 10,289	– 12,226	– 11,480
II Non-budgetary transactions										
A Loans, investments and advances	– 1,341	– 1,627	– 1,210	– 1,337	– 1,948	– 2,915	– 2,151	– 1,770	– 1,102	– 1,428
B Annuity, insurance and pension accounts	609	303	523	749	1,441	1,822	2,053	2,267	2,377	1,943
C Other transactions	112	688	378	455	101	1,782	760	1,343	– 162	520
Net source or requirement (–)	– 620	– 636	– 309	– 133	– 406	689	662	1,840	1,113	1,035
Financial requirements (excluding foreign exchange)	– 992	– 1,338	– 1,308	– 1,517	– 2,139	– 4,774	– 5,548	– 8,449	– 11,113	– 10,445
III Foreign exchange transactions	– 1,431	– 700	– 75	131	593	– 5	1,281	1,186	4,262	– 128
Total financial requirements ⁽¹⁾	– 2,423	– 2,038	– 1,383	– 1,386	– 1,546	– 4,779	– 4,267	– 7,263	– 6,851	– 10,573
IV Unmatured debt transactions ⁽²⁾	2,854	2,360	1,782	197	3,940	4,627	4,812	8,172	8,778	7,878
Change in cash balance ⁽³⁾	431	322	399	– 1,189	2,394	– 152	545	999	1,927	– 2,695
V Level of cash balance at end of period	1,278	1,600	1,999	810	3,204	3,052	3,597	4,506	6,433	3,738
Canadian dollar balance	1,256	1,582	1,984	801	3,186	3,037	3,580	4,487	6,374	3,661

⁽¹⁾ Cash requirement (–).

⁽²⁾ Excluding change in unmatured debt outstanding payable in foreign currency.

⁽³⁾ Cash decrease (–).

Note: Figures for the years 1973 to 1980 reflect loan write-offs in the years in which the funds were expended rather than in the years in which the write-offs occurred. In addition, the government contribution to the Unemployment Insurance Account is treated for these years on a current basis. Undisbursed balances of appropriations to special accounts are eliminated and the unamortized portion of flotation costs of marketable bonds and Canada Savings Bonds is recorded as a charge to budgetary expenditure in the year in which the cost was incurred. Further, subscriptions and notes payable to international organizations other than the International Monetary Fund are treated as part of loans, investments and advances, and not as exchange transactions. Figures for 1971 and 1972 are thus not on a strictly consistent basis with figures for 1973 to 1980. For all years the old age security transactions are treated as budgetary.

Reference Table 65 (continued)
Government of Canada
Statement of Financial Transactions
Detailed
(Fiscal year ended March 31)
1971 – 1980

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
	(Millions of dollars)									
I Budgetary transactions										
A Revenues										
Personal income tax	6,395	7,227	8,378	9,226	11,710	12,709	14,634	13,988	14,656	16,808
Corporate income tax	2,426	2,396	2,920	3,710	4,836	5,748	5,363	5,280	5,654	6,951
Other direct taxes	378	420	353	338	434	493	451	503	568	787
Sales tax	2,281	2,653	3,052	3,590	3,866	3,515	3,929	4,427	4,729	4,698
Other indirect taxes	1,779	1,984	2,220	2,765	4,640	4,628	4,778	4,762	5,045	5,664
Non-tax revenues	1,458	1,664	1,898	2,197	2,581	2,863	3,480	3,906	4,564	5,146
Total revenues	14,717	16,344	18,821	21,826	28,067	29,956	32,635	32,866	35,216	40,054
B Expenditures										
Health and welfare	4,831	5,596	7,047	8,135	10,286	12,534	13,873	14,773	16,642	16,876
Economic development and support	1,857	2,167	2,451	2,903	4,290	5,474	5,120	5,624	5,174	6,462
Public debt	1,920	2,137	2,301	2,566	3,239	3,972	4,721	5,550	7,058	8,524
Defence	2,183	2,263	2,366	2,775	3,162	3,632	4,161	4,626	4,999	5,333
Fiscal transfer payments to provinces	1,086	1,245	1,304	1,678	2,399	2,378	2,966	3,101	2,921	3,424
Transportation and communications	940	1,023	1,217	1,691	2,213	2,357	2,658	2,910	3,130	3,214
General government services	579	694	813	965	1,237	1,509	1,688	1,969	2,143	2,289
Internal overhead	685	698	797	728	889	989	1,104	1,308	1,452	1,332
Education assistance	463	561	588	617	641	701	872	1,402	1,666	1,798
Culture and recreation	263	348	435	559	638	681	712	883	1,053	1,018
Foreign affairs	282	314	405	477	625	754	790	910	960	1,053
Total allocated expenditures	15,089	17,046	19,724	23,094	29,619	34,981	38,665	43,056	47,198	51,323
Provision for valuation of assets and liabilities	n.a.	n.a.	96	116	181	438	180	99	244	211
Total expenditures	15,089	17,046	19,820	23,210	29,800	35,419	38,845	43,155	47,442	51,534
Budgetary surplus or deficit (-)	-372	-702	-999	-1,384	-1,733	-5,463	-6,210	-10,289	-12,226	-11,480

Reference Table 65 (continued)
Government of Canada
Statement of Financial Transactions
Detailed
(Fiscal year ended March 31)
1971 – 1980

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
(Millions of dollars)										
II Non-budgetary transactions										
A Loans, investments and advances										
Crown corporations and agencies										
Lending institutions	(- 698)	(- 794)	(- 633)	(- 676)	(- 1,060)	(- 1,898)	(- 1,612)	(- 1,134)	(- 626)	(- 951)
Canada Mortgage and Housing Corporation	- 596	- 656	- 475	- 375	- 735	- 1,058	- 837	- 532	- 52	- 366
Export Development Corporation	- 81	- 118	- 124	- 141	- 93	- 357	- 202	- 84	- 51	- 44
Farm Credit Corporation	- 49	- 30	- 43	- 170	- 243	- 297	- 277	- 297	- 267	- 307
Federal Business Development Bank	—	—	—	—	—	- 197	- 307	- 241	- 267	- 245
Municipal Development Loan Board	9	9	9	10	11	11	11	10	11	11
Canada Deposit Insurance Corporation	19	1	—	—	—	—	—	10	—	—
All other Crown corporations	(- 401)	(- 431)	(- 110)	(- 339)	(- 492)	(- 925)	(- 393)	(- 323)	(- 489)	(- 373)
Air Canada	- 111	- 27	14	—	- 145	3	83	3	- 341	16
Atomic Energy of Canada	- 161	- 112	- 59	- 44	- 81	- 202	- 149	- 201	- 242	- 216
Canadian National Railways	- 93	- 202	2	- 205	- 143	- 213	- 40	- 99	385	- 108
Petro-Canada	—	—	—	—	—	- 237	- 257	- 150	- 280	- 80
Other	- 36	- 90	- 67	- 90	- 123	- 276	- 30	124	- 11	15
Other loans	(- 242)	(- 402)	(- 563)	(- 438)	(- 577)	(- 530)	(- 326)	(- 412)	(- 231)	(- 315)
Finance-employment loans ..	- 12	- 139	- 135	- 108	- 67	- 47	45	14	8	8
Regional Economic Expansion	- 77	- 32	- 64	- 61	- 52	- 29	- 17	4	- 2	8
Canada Development Corporation	—	- 25	- 162	- 75	- 50	—	- 10	—	—	—
Loans to developing countries	- 114	- 143	- 117	- 141	- 179	- 215	- 162	- 198	- 239	- 237
International organizations	n.a.	n.a.	- 55	- 55	- 97	- 181	- 159	- 179	- 173	- 134
Other	- 39	- 63	- 30	2	- 132	- 58	- 23	- 53	175	40
Total loans, investments and advances not including allowance	- 1,341	- 1,627	- 1,306	- 1,453	- 2,129	- 3,353	- 2,331	- 1,869	- 1,346	- 1,639
Allowance for valuation	n.a.	n.a.	96	116	181	438	180	99	244	211
Total loans, investments and advances	- 1,341	- 1,627	- 1,210	- 1,337	- 1,948	- 2,915	- 2,151	- 1,770	- 1,102	- 1,428
B Annuity, insurance and pension accounts										
Canada Pension Plan	49	32	43	41	53	76	98	93	124	113
Unemployment insurance account	- 131	- 459	- 370	- 282	136	234	276	261	271	- 150
Superannuation accounts	688	728	859	1,001	1,261	1,502	1,656	1,888	1,956	1,966
Government annuities	- 8	- 10	- 13	- 19	- 21	- 10	- 1	- 9	- 10	- 14
Other	11	12	4	8	12	20	24	34	36	28
Total annuity, insurance and pension accounts	609	303	523	749	1,441	1,822	2,053	2,267	2,377	1,943
C Other transactions										
Interest and matured debt	245	320	349	294	455	667	696	904	- 509	- 38
Accounts payable and accrued salaries	- 15	81	105	444	- 109	- 33	623	- 521	214	91
Cash in transit	- 133	71	- 104	- 854	- 72	665	- 169	- 188	3	- 130
Outstanding cheques, warrants and money orders	121	131	16	539	5	366	- 361	632	- 243	506
Provincial tax collection account	- 88	130	8	- 44	- 196	67	- 121	330	366	118
Other	- 18	- 45	4	76	18	50	92	186	7	- 27
Total other transactions	112	688	378	455	101	1,782	760	1,343	- 162	520
Total non-budgetary requirements	- 620	- 636	- 309	- 133	- 406	689	662	1,840	1,113	1,035

Reference Table 65 (continued)
Government of Canada
Statement of Financial Transactions
Detailed
(Fiscal year ended March 31)
1971 – 1980

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
	(Millions of dollars)									
III Foreign exchange transactions										
Source or requirement (–)										
Exchange fund account	– 1,358	– 938	– 125	175	673	39	1,537	248	– 2,375	2,143
International Monetary Fund										
Subscriptions	– 349	7	– 51	– 105	44	– 89	110	– 310	– 482	– 7
Notes payable	271	115	103	137	– 74	73	– 364	260	690	39
Other international organiza-										
tions										
Subscriptions, advances and										
loans	– 28	– 51								
Notes payable	– 8	26								
Unmatured debt payable in for-										
ign currency	– 110	– 2	– 2	– 76	– 50	– 28	– 2	855	6,186	– 2,516
Special Drawing Rights	119	117	—	—	—	—	—	133	243	213
Columbia River Treaty	32	26	—	—	—	—	—	—	—	—
Total foreign exchange transactions ..	– 1,431	– 700	– 75	131	593	– 5	1,281	1,186	4,262	– 128
IV Unmatured debt transactions										
Increase or decrease (–)										
Marketable bonds	631	363	36	93	672	1,137	2,265	3,439	8,146	6,417
Treasury bills	840	95	460	615	725	865	1,760	3,040	2,240	2,790
Canada Savings Bonds	1,226	1,907	1,277	– 583	2,509	2,602	787	1,707	1,236	– 1,166
Securities issued to Canada										
Pension Plan	5	7	7	8	9	10	10	12	12	17
Notes and loans payable in for-										
ign currencies	—	—	—	—	—	—	—	850	3,390	– 2,528
Less:										
Unmatured debt payable in for-										
ign currency	110	2	2	76	50	28	2	– 855	– 6,186	2,516
Canada Savings Bonds held for										
employees	—	1	– 8	– 4	– 13	– 1	– 5	– 7	– 15	– 6
Securities issued to Canada										
Pension Plan	– 5	– 7	– 7	– 8	– 9	– 10	– 10	– 12	– 12	– 17
Securities investment ac-										
count ⁽¹⁾	47	– 8	15	—	– 3	– 4	3	– 2	– 33	– 145
Total unmatured debt transactions	2,854	2,360	1,782	197	3,940	4,627	4,812	8,172	8,778	7,878
V Level of cash balance at end of										
period										
In Canadian dollars	1,256	1,582	1,984	801	3,186	3,037	3,580	4,487	6,374	3,661
In foreign currency	22	18	15	9	18	15	17	19	59	77

⁽¹⁾ Including investments held for retirement of unmatured debt.

Note: For 1973 to 1980, subscriptions to international organisations (net of notes payable) are classified in the loans, investments and advances category and are not treated as exchange transactions.

Source: Public Accounts of Canada and Department of Finance.

Reference Table 66
Government of Canada
Liabilities and Assets
Public Accounts Presentation
(Fiscal Year ended March 31)
1927 – 1980

	1927	1937	1942	1947	1952	1957	1962	1967	1972	1973	1974	1975	1976	1977	1978	1979	1980
	(Millions of dollars)																
Liabilities																	
Annuity, insurance and pension accounts	43	177	331	885	1,949	3,083	3,700	6,671	9,496	10,389	11,419	12,729	14,308	16,089	18,545	20,919	22,898
Foreign liabilities	538	859	475	395	686	564	502	732	1,442	1,543	1,604	1,480	1,525	1,159	2,407	9,526	7,262
Other liabilities ⁽²⁾	247	90	452	938	844	1,306	1,240	1,955	3,562	3,933	5,207	5,324	6,169	7,314	8,598	8,434	9,017
Unmatured debt—net of own holdings																	
Marketable bonds	2,436	3,125	5,304	13,601	11,431	9,144	10,861	11,188	13,665	13,716	13,809	14,480	15,609	17,877	21,314	29,427	35,699
Canada Savings Bonds	—	—	—	483	1,059	2,421	4,042	5,981	9,669	10,938	10,351	12,848	15,444	16,226	17,926	19,147	17,975
Treasury bills	—	150	520	1,280	1,400	1,625	1,885	2,310	3,830	4,290	4,905	5,630	6,495	8,255	11,295	13,535	16,325
Notes payable to Canadian banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	850	4,240	1,712
Total unmaturing debt held by outside parties	2,436	3,275	5,824	15,364	13,890	13,190	16,788	19,479	27,164	28,944	29,065	32,958	37,548	42,358	51,385	66,349	71,711
Less: unmaturing debt payable in foreign currency	538	859	475	160	397	351	130	366	335	334	258	208	166	164	1,019	7,205	4,689
Total unmaturing debt payable in Canadian currency	1,898	2,416	5,349	15,204	13,493	12,839	16,658	19,113	26,829	28,610	28,807	32,750	37,382	42,194	50,366	59,144	67,022
Total liabilities ⁽¹⁾	2,726	3,542	6,607	17,422	16,972	17,792	22,100	28,471	41,329	44,475	47,037	52,283	59,384	66,756	79,916	98,023	106,199
Assets																	
Loans, investments and advances ⁽²⁾	243	429	1,044	2,805	3,890	4,281	5,994	8,903	13,957	15,425	17,008	18,772	21,177	23,272	24,984	26,083	27,480
Foreign assets	—	—	725	1,219	2,193	2,389	2,453	3,487	6,657	6,833	6,763	6,046	6,096	4,449	4,511	7,369	5,233
Other assets	135	29	793	350	— 296	113	426	546	1,904	2,407	2,072	4,538	3,721	4,435	5,532	7,456	4,891
Total assets	378	458	2,562	4,374	5,787	6,783	8,873	12,936	22,518	24,665	25,843	29,356	30,994	32,156	35,027	40,908	37,604
Excess of recorded liabilities over recorded assets ⁽¹⁾	2,348	3,084	4,045	13,048	11,185	11,009	13,227	15,535	18,811	19,810	21,194	22,927	28,390	34,600	44,889	57,115	68,595

(1) Total liabilities are normally referred to as the gross debt of Canada whereas the excess of recorded liabilities over recorded assets is normally referred to as the net debt of Canada.

(2) Includes internal accounts.

Note: The liabilities and assets for the years 1972 to 1980 are adjusted to charge loan write-offs and provisions in the years in which the funds were expended rather than the years in which the write-offs or provisions were made. In addition, the government contribution to the Unemployment Insurance Account is treated for these years on a current basis. Undisbursed balances of appropriations to special accounts are eliminated and the unamortized portion of flotation costs of marketable bonds and Canada Savings Bonds is recorded as a charge to budgetary expenditure in the year in which the cost was incurred. Further, subscriptions and notes payable to international organizations other than the International Monetary Fund are treated as part of loans, investments and advances, and not as exchange transactions. Figures for the years prior to 1972 are thus not on a strictly consistent basis with figures for 1972 to 1980. For all years the old age security transactions are treated as budgetary.

Source: Public Accounts of Canada and Department of Finance.

Reference Table 67

Allocation of Revenues from Own Sources, by Levels of Government
1945 – 1980

Year	Revenues from own sources ⁽¹⁾				Percentage distribution		
	(a) Federal	(b) Provincial	(c) Local	(d) Total (a) + (b) + (c)	(e) Federal (a) ÷ (d)	(f) Provincial (b) ÷ (d)	(g) Local (c) ÷ (d)
(Millions of dollars)							
1945	2,385	538	415	3,338	71.4	16.1	12.4
1946	2,555	619	440	3,614	70.7	17.1	12.2
1947	2,696	780	485	3,961	68.1	19.7	12.2
1948	2,681	879	540	4,100	65.4	21.4	13.2
1949	2,659	925	583	4,167	63.8	22.2	14.0
1950	2,972	1,013	649	4,634	64.1	21.9	14.0
1951	4,113	1,194	746	6,053	67.9	19.7	12.3
1952	4,492	1,320	850	6,662	67.4	19.8	12.8
1953	4,563	1,410	922	6,895	66.2	20.4	13.4
1954	4,344	1,481	994	6,819	63.7	21.7	14.6
1955	4,745	1,640	1,073	7,458	63.6	22.0	14.4
1956	5,411	1,865	1,220	8,496	63.7	22.0	14.4
1957	5,455	2,075	1,357	8,887	61.4	23.3	15.3
1958	5,163	2,216	1,489	8,868	58.2	25.0	16.8
1959	5,871	2,489	1,686	10,046	58.4	24.8	16.8
1960	6,228	2,629	1,853	10,710	58.2	24.5	17.3
1961	6,473	2,860	1,982	11,315	57.2	25.3	17.5
1962	6,899	3,396	2,142	12,437	55.5	27.3	17.2
1963	7,323	3,639	2,286	13,248	55.3	27.5	17.3
1964	8,355	4,189	2,396	14,940	55.9	28.0	16.0
1965	9,095	4,949 ⁽²⁾	2,646	16,690	54.5	29.7	15.9
1966	9,984	5,782	2,956	18,722	53.3	30.9	15.8
1967	10,906	6,782	3,298	20,986	52.0	32.3	15.7
1968	12,218	7,966	3,658	23,842	51.2	33.4	15.3
1969	14,490	9,293	4,067	27,850	52.0	33.4	14.6
1970	15,528	10,548	4,438	30,514	50.9	34.6	14.5
1971	17,241	11,744	4,748	33,733	51.1	34.8	14.1
1972	19,560	13,253	5,214	38,027	51.4	34.9	13.7
1973	22,809	15,880	5,582	44,271	51.5	35.9	12.6
1974	29,978	20,039	6,247	56,264	53.3	35.6	11.1
1975	31,703	22,253	7,303	61,259	51.8	36.3	11.9
1976	35,313	25,974	8,674	69,961	50.5	37.1	12.4
1977	36,214	30,936	9,799	76,949	47.1	40.2	12.7
1978	38,019	35,219	10,949	84,187	45.2	41.8	13.0
1979	43,518	39,288	11,954	94,760	45.9	41.5	12.6
1980	50,099	44,203	13,208	107,510	46.6	41.1	12.3
1973 ⁽³⁾	22,726	15,880	5,582	44,188	51.4	35.9	12.6
1974 ⁽³⁾	28,360	20,039	6,247	54,646	51.9	36.7	11.4
1975 ⁽³⁾	30,582	22,253	7,303	60,138	50.9	37.0	12.1
1976 ⁽³⁾	34,613	25,974	8,674	69,261	50.0	37.5	12.5
1977 ⁽³⁾	35,738	30,936	9,799	76,473	46.7	40.5	12.8
1978 ⁽³⁾	37,725	35,219	10,949	83,893	45.0	42.0	13.1
1979 ⁽³⁾	42,800	39,288	11,954	94,042	45.5	41.8	12.7
1980 ⁽³⁾	49,268	44,203	13,208	106,679	46.2	41.4	12.4

⁽¹⁾ Tax rental payments are assumed to be a provincial revenue from own sources and have been deducted from "federal revenues from own sources".

⁽²⁾ The value of the federal tax abatements in Quebec, introduced in 1965 under the *Established Programs (Interim Arrangements) Act* (contracting-out arrangements), is included as a provincial revenue from own sources.

⁽³⁾ Revenues excluding federal oil export charge.

Source: Statistics Canada, *National Income and Expenditure Accounts*, Vol. 1, *The Annual Estimates 1926-1974*, cat. 13-531; and *National Income and Expenditure Accounts*.

Reference Table 68
Intergovernmental Transfers
1945 – 1980

Year	Transfers from				Revenue from own sources ⁽¹⁾			Federal transfers			Total transfers
	(a) Federal to provincial governments ⁽¹⁾	(b) Federal to local governments	(c) Provincial to local governments	(d) Local to provincial governments	(e) Federal	(f) Provin- cial	(g) Local	(h) As a % of federal revenues	(i) To provinces as a % of provincial revenues	(j) To local governments as a % of local revenues	(k) Received by local governments as a % of local revenues
								((a) + (b)) ÷ (e)	(a) ÷ (f)	(b) ÷ (g)	((b) + (c)) ÷ (g)
D	40374	40375	40376	40378							
(Millions of dollars)											
1945	76	—	63	7	2,385	538	415	3.2	14.1	—	15.2
1946	97	—	79	7	2,555	619	440	3.8	15.7	—	18.0
1947	112	—	101	7	2,696	780	485	4.2	14.4	—	20.8
1948	114	—	129	9	2,681	879	540	4.3	13.0	—	23.9
1949	147	—	157	10	2,659	925	583	5.5	15.9	—	26.9
1950	202	1	171	11	2,972	1,013	649	6.8	19.9	0.2	26.5
1951	205	2	197	13	4,113	1,194	746	5.0	17.2	0.3	26.7
1952	170	3	215	13	4,492	1,320	850	3.9	12.9	0.4	25.6
1953	163	3	242	15	4,563	1,410	922	3.6	11.6	0.3	26.6
1954	164	2	259	15	4,344	1,481	994	3.8	11.1	0.2	26.3
1955	180	7	327	22	4,745	1,640	1,073	3.9	11.0	0.7	31.1
1956	189	9	362	18	5,411	1,865	1,220	3.7	10.1	0.7	30.4
1957	288	16	452	28	5,455	2,075	1,357	5.6	13.9	1.2	34.5
1958	394	23	545	17	5,163	2,216	1,489	8.1	17.8	1.5	38.1
1959	588	24	622	24	5,871	2,489	1,686	10.4	23.6	1.4	38.3
1960	673	32	714	17	6,228	2,629	1,853	11.3	25.6	1.7	40.3
1961	789	33	841	15	6,473	2,860	1,982	12.7	27.6	1.7	44.1
1962	1,010	44	1,063	15	6,899	3,396	2,142	15.3	29.7	2.1	51.7
1963	1,117	52	1,148	17	7,323	3,639	2,286	16.0	30.7	2.3	52.5
1964	1,199	53	1,289	18	8,355	4,189	2,396	15.0	28.6	2.2	56.0
1965	1,357	74	1,440	22	9,095	4,949	2,646	15.7	27.4	2.8	57.2
1966	1,556	108	1,760	37	9,984	5,782	2,956	16.7	26.9	3.7	63.2
1967	1,895	97	2,025	56	10,906	6,782	3,298	18.3	27.9	2.9	64.3
1968	2,280	92	2,262	40	12,218	7,966	3,658	19.4	28.6	2.5	64.4
1969	2,632	94	2,501	46	14,490	9,293	4,067	18.8	28.3	2.3	63.8
1970	3,303	94	3,098	44	15,528	10,548	4,438	21.9	31.3	2.1	71.9
1971	4,230	93	3,490	44	17,241	11,744	4,748	25.1	36.0	2.0	75.5
1972	4,400	158	3,911	49	19,560	13,253	5,214	23.3	33.2	3.0	78.0
1973	4,694	113	4,388	40	22,809	15,880	5,582	21.1	29.6	2.0	80.6
1974	6,013	152	5,156	41	29,978	20,039	6,247	20.6	30.0	2.4	85.0
1975	7,527	143	6,560	50	31,703	22,253	7,303	24.2	33.8	2.0	91.8
1976	8,318	204	7,163	51	35,313	25,974	8,674	24.1	32.0	2.4	84.9
1977	9,615	352	8,886	50	36,214	30,936	9,799	27.5	31.1	3.6	94.3
1978	10,527	348	9,106	42	38,019	35,219	10,949	28.6	29.9	3.2	86.3
1979	11,419	344	10,955	49	43,518	39,288	11,954	27.0	29.1	2.9	94.5
1980	12,542	296	11,475	59	50,099	44,203	13,208	25.6	28.4	2.2	89.1

⁽¹⁾ Tax rental payments are assumed to be a "provincial revenue from own sources" and are not included in federal transfers to provincial governments.
Source: Statistics Canada, *National Income and Expenditure Accounts*, Vol. 1, *The Annual Estimates 1926-1974*; and *National Income and Expenditure Accounts*.

Reference Table 69

Allocations of Revenues After Transfers, by Levels of Government 1945 – 1980⁽¹⁾

Year	Revenues after transfers				Percentage distribution		
	(a) Federal	(b) Provincial	(c) Local	(d) Total (a) + (b) + (c)	(e) Federal (a) ÷ (d)	(f) Provincial (b) ÷ (d)	(g) Local (c) ÷ (d)
(Millions of dollars)							
1945.....	2,309	558	471	3,338	69.2	16.7	14.1
1946.....	2,458	644	512	3,614	68.0	17.8	14.2
1947.....	2,584	798	579	3,961	65.2	20.1	14.6
1948.....	2,567	873	660	4,100	62.6	21.3	16.1
1949.....	2,512	925	730	4,167	60.3	22.2	17.5
1950.....	2,769	1,055	810	4,634	59.8	22.8	17.5
1951.....	3,906	1,215	932	6,053	64.5	20.1	15.4
1952.....	4,319	1,288	1,055	6,662	64.8	19.3	15.8
1953.....	4,397	1,346	1,152	6,895	63.8	19.5	16.7
1954.....	4,178	1,401	1,240	6,819	61.3	20.5	18.2
1955.....	4,558	1,515	1,385	7,458	61.1	20.3	18.6
1956.....	5,213	1,710	1,573	8,496	61.4	20.1	18.5
1957.....	5,151	1,939	1,797	8,887	58.0	21.8	20.2
1958.....	4,746	2,082	2,040	8,868	53.5	23.5	23.0
1959.....	5,259	2,479	2,308	10,046	52.3	24.7	23.0
1960.....	5,523	2,605	2,582	10,710	51.6	24.3	24.1
1961.....	5,651	2,823	2,841	11,315	49.9	24.9	25.1
1962.....	5,845	3,358	3,234	12,437	47.0	27.0	26.0
1963.....	6,154	3,625	3,469	13,248	46.5	27.4	26.2
1964.....	7,103	4,117	3,720	14,940	47.5	27.6	24.9
1965.....	7,664	4,888	4,138	16,690	45.9	29.3	24.8
1966.....	8,320	5,615	4,787	18,722	44.4	30.0	25.6
1967.....	8,914	6,708	5,364	20,986	42.5	32.0	25.6
1968.....	9,846	8,024	5,972	23,842	41.3	33.7	25.0
1969.....	11,764	9,470	6,616	27,850	42.2	34.0	23.8
1970.....	12,131	10,797	7,586	30,514	39.8	35.4	24.9
1971.....	12,918	12,528	8,287	33,733	38.3	37.1	24.6
1972.....	15,002	13,791	9,234	38,027	39.5	36.3	24.3
1973.....	18,002	16,226	10,043	44,271	40.7	36.7	22.7
1974.....	23,813	20,937	11,514	56,264	42.3	37.2	20.5
1975.....	24,033	23,270	13,956	61,259	39.2	38.0	22.8
1976.....	26,791	27,180	15,990	69,961	38.3	38.9	22.9
1977.....	26,247	31,715	18,987	76,949	34.1	41.2	24.7
1978.....	27,144	36,682	20,361	84,187	32.2	43.6	24.2
1979.....	31,755	39,801	23,204	94,760	33.5	42.0	24.5
1980.....	37,261	45,329	24,920	107,510	34.7	42.2	23.2
1973 ⁽²⁾	17,919	16,226	10,043	44,188	40.6	36.7	22.7
1974 ⁽²⁾	22,195	20,937	11,514	54,646	40.6	38.3	21.1
1975 ⁽²⁾	22,912	23,270	13,956	60,138	38.1	38.7	23.2
1976 ⁽²⁾	26,091	27,180	15,990	69,261	37.7	39.2	23.1
1977 ⁽²⁾	25,771	31,715	18,987	76,473	33.7	41.5	24.8
1978 ⁽²⁾	26,850	36,682	20,361	83,893	32.0	43.7	24.3
1979 ⁽²⁾	31,037	39,801	23,204	94,042	33.0	42.3	24.7
1980 ⁽²⁾	36,430	45,329	24,920	106,679	34.1	42.5	23.4

⁽¹⁾ Transfers between levels of government subtracted from revenues of governments which pay and added to revenues of governments which receive.

⁽²⁾ Revenues excluding federal oil export charge.

Source: Statistics Canada, *National Income and Expenditure Accounts*, Vol. 1, *The Annual Estimates 1926-1974*; and *National Income and Expenditure Accounts*.

Reference Table 70
Allocation of Expenditures by Levels of Government
Before and After Transfer Payments
1926 – 1980⁽¹⁾

		Before transfer payments ⁽²⁾			After transfer payments ⁽³⁾						Before transfer payments			After transfer payments		
	Years	(a) Total Fed- eral ex- pend- itures	(b) Total provin- cial ex- pend- itures	(c) Total local ex- pend- itures	(d) Total Fed- eral ex- pend- itures	(e) Total provin- cial ex- pend- itures	(f) Total Local ex- pend- itures	(g) Total government ex- pend- itures (d) + (e) + (f)	Federal share (a)÷ (g)	Provin- cial share (b)÷ (g)	Local share (c)÷ (g)	Federal share (d)÷ (g)	Provin- cial share (e)÷ (g)	Local share (f)÷ (g)		
(Millions of dollars)								(Per cent)								
Pre-tax-rental era:	1926	321	166	323	306	164	340	810	39.6	20.5	39.9	37.8	20.2	42.0		
	1927	336	181	342	320	177	362	859	39.1	21.1	39.8	37.3	20.6	42.1		
	1928	344	207	347	327	202	369	898	38.3	23.1	38.6	36.4	22.5	41.1		
	1929	362	240	389	345	234	412	991	36.5	24.2	39.3	34.8	23.6	41.6		
	1930	389	276	434	364	275	460	1099	35.4	25.1	39.5	33.1	25.0	41.9		
	1931	409	286	421	353	298	465	1116	36.6	25.6	37.7	31.6	26.7	41.7		
	1932	387	261	399	325	295	427	1047	37.0	24.9	38.1	31.0	28.2	40.8		
	1933	380	240	336	324	286	346	956	39.7	25.1	35.1	33.9	29.9	36.2		
	1934	409	300	332	338	355	348	1041	39.3	28.8	31.9	32.5	34.1	33.4		
	1935	453	307	333	379	369	345	1093	41.4	28.1	30.5	34.7	33.8	31.6		
Tax-rental era:	1936	459	297	331	368	371	348	1087	42.2	27.3	30.5	33.9	34.1	32.0		
	1937	476	364	333	371	448	354	1173	40.6	31.0	28.4	31.6	38.2	30.2		
	1938	524	394	336	438	457	359	1254	41.8	31.4	26.8	34.9	36.4	28.6		
	1939	483	382	340	404	436	365	1205	40.1	31.7	28.2	33.5	36.2	30.3		
	1940	1024	330	335	954	378	357	1689	60.6	19.5	19.8	56.5	22.4	21.1		
	1941	1550	354	333	1496	384	357	2237	69.3	15.8	14.9	66.9	17.2	16.0		
	1942	3680	334	332	3615	369	362	4346	84.7	7.7	7.6	83.2	8.5	8.3		
	1943	4323	359	340	4264	385	373	5022	86.1	7.1	6.8	84.9	7.7	7.4		
	1944	5233	397	350	5165	414	401	5980	87.5	6.6	5.9	86.4	6.9	6.7		
	1945	4217	446	366	4141	466	422	5029	83.9	8.9	7.3	82.3	9.3	8.4		
	1946	2800	526	425	2703	551	497	3751	74.6	14.0	11.3	72.1	14.7	13.2		
	1947	2009	685	504	1897	703	598	3198	62.8	21.4	15.8	59.3	22.0	18.7		
	1948	1916	864	598	1802	858	718	3378	56.7	25.6	17.7	53.3	25.4	21.3		
	1949	2175	983	666	2028	983	813	3824	56.9	25.7	17.4	53.0	25.7	21.3		
	1950	2322	1017	741	2119	1059	902	4080	56.9	24.9	18.2	51.9	26.0	22.1		
	1951	3142	1190	895	2935	1211	1081	5227	60.1	22.8	17.1	56.2	23.2	20.7		
	1952	4297	1259	1049	4124	1227	1254	6605	65.1	19.1	15.9	62.4	18.6	19.0		
	1953	4412	1303	1097	4246	1239	1327	6812	64.8	19.1	16.1	62.3	18.2	19.5		
	1954	4390	1428	1273	4224	1348	1519	7091	61.9	20.1	18.0	59.6	19.0	21.4		
	1955	4543	1612	1343	4356	1487	1655	7498	60.6	21.5	17.9	58.1	19.8	22.1		
1956	4813	1909	1502	4615	1754	1855	8224	58.5	23.2	18.3	56.1	21.3	22.6			
1957	5205	2059	1642	4901	1923	2082	8906	58.4	23.1	18.4	55.0	21.6	23.4			
1958	5930	2266	1750	5513	2132	2301	9946	59.6	22.8	17.6	55.4	21.4	23.1			
1959	6210	2502	1935	5598	2492	2557	10647	58.3	23.5	18.2	52.6	23.4	24.0			
1960	6457	2842	2081	5752	2818	2810	11380	56.7	25.0	18.3	50.5	24.8	24.7			
1961	6883	3141	2110	6061	3104	2969	12134	56.7	25.9	17.4	50.0	25.6	24.5			

Reference Table 70 (continued)
Allocation of Expenditures by Levels of Government
Before and After Transfer Payments
1926 – 1980⁽¹⁾

Years	Before transfer payments ⁽²⁾			After transfer payments ⁽³⁾			(g) Total government expenditures (d) + (e) + (f)	Before transfer payments			After transfer payments			
	(a) Total Federal expenditures	(b) Total provincial expenditures	(c) Total local expenditures	(d) Total Federal expenditures	(e) Total provincial expenditures	(f) Total Local expenditures		Federal share (a)÷ (g)	Provincial share (b)÷ (g)	Local share (c)÷ (g)	Federal share (d)÷ (g)	Provincial share (e)÷ (g)	Local share (f)÷ (g)	
	(Millions of dollars)												(Per cent)	
Post-tax-rental era:	1962	7406	3452	2277	6352	3414	3369	13135	56.4	26.3	17.3	48.4	26.0	25.6
	1963	7609	3738	2484	6440	3724	3667	13831	55.0	27.0	18.0	46.6	26.9	26.5
	1964	8010	4270	2537	6758	4198	3861	14817	54.1	28.8	17.1	45.6	28.3	26.1
	1965	8551	4949	3013	7120	4888	4505	16513	51.8	30.0	18.2	43.1	29.6	27.3
	1966	9753	5956	3283	8089	5789	5114	18992	51.4	31.4	17.3	42.6	30.5	26.9
	1967	10990	7116	3635	8998	7042	5701	21741	50.5	32.7	16.7	41.4	32.4	26.2
	1968	12229	8022	4094	9857	8080	6408	24345	50.2	33.0	16.8	40.5	33.2	26.3
	1969	13469	8974	4609	10743	9151	7158	27052	49.8	33.2	17.0	39.7	33.8	26.5
	1970	15262	10777	4908	11865	11026	8056	30947	49.3	34.8	15.9	38.3	35.6	26.0
	1971	17386	12214	5263	13063	12998	8802	34863	49.9	35.0	15.1	37.5	37.3	25.2
	1972	20126	13944	5385	15568	14482	9405	39455	51.0	35.3	13.6	39.5	36.7	23.8
	1973	22422	15982	6067	17615	16328	10528	44471	50.4	35.9	13.6	39.6	36.7	23.7
	1974	28869	19387	7066	22704	20285	12333	55322	52.2	35.0	12.8	41.0	36.7	22.3
	1975	35508	24009	7871	27838	25026	14524	67388	52.7	35.6	11.7	41.3	37.1	21.6
	1976	38704	27517	9443	30182	28723	16759	75664	51.2	36.4	12.5	39.9	38.0	22.1
	1977	43807	31795	9599	33840	32574	18787	85201	51.4	37.3	11.3	39.7	38.2	22.1
	1978	48974	34039	11030	38099	35502	20442	94043	52.1	36.2	11.7	40.5	37.8	21.7
	1979	52649	38317	11200	40886	38830	22450	102166	51.5	37.5	11.0	40.0	38.0	22.0
	1980	60822	42614	13073	47984	43740	24785	116509	52.2	36.6	11.2	41.2	37.5	21.3
	1974 ⁽⁴⁾	27983	19387	7066	21818	20285	12333	54436	51.4	35.6	13.0	40.1	37.3	22.7
	1975 ⁽⁴⁾	33817	24009	7871	26147	25026	14524	65697	51.5	36.5	12.0	39.8	38.1	22.1
	1976 ⁽⁴⁾	37650	27517	9443	29128	28723	16759	74610	50.5	36.9	12.7	39.0	38.5	22.5
	1977 ⁽⁴⁾	42885	31795	9599	32918	32574	18787	84279	50.9	37.7	11.4	39.1	38.7	22.3
	1978 ⁽⁴⁾	48321	34039	11030	37446	35502	20442	93390	51.7	36.4	11.8	40.1	38.0	21.9
	1979 ⁽⁴⁾	51219	38317	11200	39456	38830	22450	100736	50.8	38.0	11.1	39.2	38.5	22.3
	1980 ⁽⁴⁾	56829	42614	13073	43991	43740	24785	112516	50.5	37.9	11.6	39.1	38.9	22.0

⁽¹⁾ Includes conditional, unconditional and other types of transfer payments.

⁽²⁾ Transfers between levels of government are attributed to the government who makes them.

⁽³⁾ Transfers between levels of government are subtracted from expenditures of paying government and added to expenditures of recipient government.

⁽⁴⁾ Expenditures excluding federal oil import subsidy, and Petroleum Compensation Revolving Fund.

Source: Statistics Canada, *National Income and Expenditure Accounts*, Vol. 1, *The Annual Estimates 1926-1974*, and *National Income and Expenditure Accounts*.

Reference Table 71
 Summary of Balance of Payments
 1947 – 1980

Years	Merchan- dise exports	Merchan- dise imports	Merchan- dise trade balance	Service receipts	Service payments	Balance on goods and services	Net transfers	Balance on current account	Net capital movements inflows and outflows (–)		Special Drawing Rights alloca- tions	Net official monetary move- ments ⁽²⁾
									Long- term forms	Short- term forms ⁽¹⁾		
D	50501	50526	50502	50544	50557	50558	50687	50555	50710	50688	50710	50712
(Millions of dollars)												
1947	2,723	2,535	188	939	1,057	70	–21	49	–721	4	—	–668
1948	3,030	2,598	432	1,015	1,022	425	26	451	43	–2	—	492
1949	2,989	2,696	293	1,015	1,157	151	26	177	–29	–20	—	128
1950	3,139	3,132	7	1,019	1,360	–334	15	–319	610	431	—	722
1951	3,950	4,101	–151	1,102	1,479	–528	16	–512	666	–98	—	56
1952	4,339	3,854	485	1,217	1,516	186	1	187	455	–605	—	37
1953	4,152	4,212	–60	1,216	1,594	–438	–10	–448	649	–239	—	–38
1954	3,934	3,916	18	1,191	1,627	–418	–6	–424	599	–51	—	124
1955	4,332	4,543	–211	1,405	1,847	–653	–34	–687	414	229	—	–44
1956	4,837	5,565	–728	1,500	2,099	–1,327	–45	–1,372	1,490	–70	—	48
1957	4,894	5,488	–594	1,472	2,278	–1,400	–51	–1,451	1,320	26	—	–105
1958	4,890	5,066	–176	1,420	2,256	–1,012	–125	–1,137	1,153	93	—	109
1959	5,151	5,572	–421	1,503	2,456	–1,374	–113	–1,487	1,179	297	—	–11
1960	5,392	5,540	–148	1,590	2,549	–1,107	–126	–1,233	929	265	—	–39
1961	5,889	5,716	173	1,735	2,764	–856	–72	–928	930	290	—	292
1962	6,387	6,203	184	1,847	2,842	–811	–19	–830	688	296	—	154
1963	7,082	6,579	503	1,986	2,982	–493	–28	–521	637	29	—	145
1964	8,238	7,537	701	2,265	3,376	–410	–14	–424	750	38	—	364
1965	8,745	8,627	118	2,437	3,714	–1,159	29	–1,130	833	455	—	158
1966	10,326	10,102	224	2,719	4,157	–1,214	52	–1,162	1,228	–425	—	–359
1967	11,338	10,772	566	3,325	4,462	–571	72	–499	1,415	–896	—	20
1968	13,720	12,249	1,471	3,070	4,822	–281	184	–97	1,669	–1,223	—	349
1969	15,035	14,071	964	3,695	5,719	–1,060	143	–917	2,337	–1,355	—	65
1970	16,921	13,869	3,052	4,246	6,345	953	153	1,106	1,007	–583	133	1,663
1971	17,877	15,314	2,563	4,304	6,702	165	266	431	664	–318	119	896
1972	20,129	18,272	1,857	4,451	6,978	–670	284	–386	1,588	–983	117	336
1973	25,461	22,726	2,735	5,257	8,228	–236	344	108	628	–1,203	—	–467
1974	32,591	30,902	1,689	6,401	10,104	–2,017	557	–1,460	1,041	443	—	24
1975	33,511	33,962	–451	6,941	11,627	–5,137	380	–4,757	3,935	417	—	–405
1976	37,995	36,607	1,388	7,606	13,366	–4,372	530	–3,842	7,923	–3,559	—	522
1977	44,253	41,523	2,730	8,295	15,739	–4,714	413	–4,301	4,265	–1,385	—	–1,421
1978	52,752	49,151	3,601	10,001	18,691	–5,089	43	–5,046	3,362	–1,615	—	–3,299
1979	65,170	61,198	3,972	11,454	21,186	–5,760	662	–5,098	2,838	3,949	219	1,908
1980	76,106	68,153	7,953	13,496	24,233	–2,784	1,246	–1,538	1,374	–1,334	217	–1,281

(1) Includes net errors and omissions.
 (2) Net official monetary movements include transactions in official international reserves and official monetary liabilities.
 Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001.

Reference Table 72
Bilateral Payments Balance with the United States
1947 – 1980

Years	Merchandise trade balance	Balance on goods and services	Balance on current account	Net capital movements inflows and outflows (–)		Net balance
				Long-term forms	Short-term forms	
D	51551	51558	51555	51687	51688	51690
(Millions of dollars)						
1947	–890	–1,115	–1,134	–158	–5	–1,297
1948	–289	–374	–393	126	–15	–282
1949	–378	–575	–601	116	–52	–537
1950	–50	–369	–385	625	220	460
1951	–520	–922	–945	560	–66	–451
1952	–473	–791	–830	387	–104	–547
1953	–590	–869	–907	440	–75	–542
1954	–440	–762	–800	395	54	–351
1955	–685	–981	–1,029	209	127	–693
1956	–1,167	–1,583	–1,650	1,034	–167	–783
1957	–947	–1,497	–1,579	963	–263	–879
1958	–532	–1,109	–1,167	950	–16	–233
1959	–536	–1,149	–1,221	927	68	–226
1960	–673	–1,266	–1,359	746	127	–486
1961	–615	–1,257	–1,341	953	205	–183
1962	–438	–1,019	–1,092	680	536	124
1963	–488	–1,070	–1,148	843	–49	–354
1964	–808	–1,565	–1,635	943	580	–112
1965	–1,041	–1,883	–1,937	1,074	–398	–1,261
1966	–993	–2,001	–2,030	1,393	–291	–928
1967	–569	–1,301	–1,342	1,317	–265	–290
1968	389	–744	–747	1,151	–639	–235
1969	472	–877	–845	1,669	–239	585
1970	1,121	–227	–165	989	47	871
1971	1,445	–215	–86	877	1,867	2,658
1972	1,513	–272	–137	1,059	–201	721
1973	1,242	–930	–834	1,134	–605	–305
1974	1,001	–1,639	–1,530	1,653	1,628	1,751
1975	–1,125	–4,903	–4,810	3,292	2,104	586
1976	519	–4,165	–4,090	4,536	–14	432
1977	1,496	–4,161	–4,115	2,238	452	–1,425
1978	2,241	–4,815	–4,747	2,736	2,070	59
1979	171	–7,860	–7,774	1,358	3,785	–2,631
1980	799	–8,380	–8,250	1,475	–2,248	–9,023

Note: Since errors and omissions are excluded, the regional breakdown of Canada's balance of international payments will not equal the total for transactions with all countries.

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*.

Reference Table 73
Bilateral Payments Balance with the Rest of the World
1947 – 1980

Years	Merchandise trade balance	Balance on goods and services	Balance on current account	Net capital movements inflows and outflows(–)		Special Drawing Rights allocations	Net balance
				Long-term forms	Short-term forms		
(Millions of dollars)							
1947	1,078	1,147	1,183	– 563	9	—	629
1948	721	773	844	– 83	13	—	774
1949	671	702	778	– 145	32	—	665
1950	57	5	66	– 15	110	—	161
1951	369	356	433	106	– 94	—	445
1952	958	977	1,017	68	– 112	—	973
1953	530	431	459	209	2	—	670
1954	458	344	376	204	– 35	—	545
1955	474	328	342	205	72	—	619
1956	439	256	278	456	73	—	708
1957	353	97	128	357	47	—	532
1958	356	97	30	203	– 2	—	231
1959	115	– 225	– 266	252	– 88	—	– 102
1960	525	159	126	183	37	—	346
1961	788	401	413	– 23	– 72	—	318
1962	622	208	262	8	– 95	—	175
1963	991	577	627	– 206	46	—	467
1964	1,509	1,155	1,211	– 193	– 655	—	363
1965	1,159	724	807	– 241	1,092	—	1,658
1966	1,217	787	868	– 165	48	—	751
1967	1,135	730	843	98	– 130	—	811
1968	1,082	463	650	518	200	—	1,368
1969	492	– 183	– 72	668	– 897	—	– 301
1970	1,931	1,180	1,271	18	– 243	133	1,046
1971	1,118	380	517	– 213	– 837	119	– 533
1972	344	– 398	– 249	529	673	117	953
1973	1,493	694	942	– 506	52	—	488
1974	688	– 378	70	– 612	– 318	—	– 860
1975	674	– 234	53	643	– 484	—	212
1976	869	– 207	248	3,387	113	—	3,748
1977	1,234	– 553	– 186	2,027	198	—	2,039
1978	1,360	– 274	– 299	626	– 918	—	– 591
1979	3,801	2,100	2,676	1,480	4,061	219	8,217
1980	7,154	5,596	6,712	– 101	3,424	217	10,035

Note: Since errors and omissions are excluded, the regional breakdown of Canada's balance of international payments will not equal the total for transactions with all countries.

Reference Table 74
International Payments: Current Account
1947 – 1980

Years	Current receipts							
	Merchandise exports (adjusted)	Gold production available for export	Travel	Interest and dividends	Freight and shipping	Other service receipts	Transfer receipts	Total current receipts
D	50501	50505	50506	50508	50512	50516		50525
(Millions of dollars)								
1947	2,723	99	251	64	322	203	121	3,783
1948	3,030	119	279	70	336	211	143	4,188
1949	2,989	139	285	83	303	205	132	4,136
1950	3,139	163	275	94	284	203	126	4,284
1951	3,950	150	274	115	351	212	151	5,203
1952	4,339	150	275	152	383	269	160	5,728
1953	4,152	144	302	164	318	300	167	5,547
1954	3,934	155	305	147	313	283	169	5,306
1955	4,332	155	328	161	398	375	177	5,926
1956	4,837	147	337	142	457	430	194	6,544
1957	4,894	144	363	153	445	380	233	6,612
1958	4,890	157	349	167	401	365	171	6,500
1959	5,151	148	391	180	420	384	213	6,887
1960	5,392	162	420	171	442	393	235	7,215
1961	5,889	162	482	213	486	390	282	7,904
1962	6,387	155	562	202	509	419	314	8,548
1963	7,082	154	609	230	563	430	348	9,416
1964	8,238	145	662	332	644	482	384	10,887
1965	8,745	138	747	322	668	562	466	11,648
1966	10,326	127	840	318	758	676	555	13,600
1967	11,338	112	1,318	295	830	770	640	15,303
1968	13,720	33	953	353	891	840	674	17,464
1969	15,035	—	1,047	451	935	1,262	695	19,425
1970	16,921	—	1,206	528	1,126	1,386	765	21,932
1971	17,877	—	1,246	558	1,184	1,316	870	23,051
1972	20,129	—	1,230	665	1,241	1,315	903	25,483
1973	25,461	—	1,446	790	1,494	1,527	1,058	31,776
1974	32,591	—	1,694	882	1,812	2,013	1,360	40,352
1975	33,511	—	1,815	926	1,714	2,486	1,388	41,840
1976	37,995	—	1,930	825	2,082	2,769	1,486	47,110
1977	44,253	—	2,025	874	2,371	3,025	1,555	54,103
1978	52,752	—	2,378	1,208	2,719	3,696	1,586	64,339
1979	65,170	—	2,887	1,117	3,394	4,056	1,984	78,608
1980	76,106	—	3,306	1,512	3,889	4,789	2,627	92,229

Reference Table 74 (continued)
International Payments: Current Account
1947 – 1980

Years	Current payments							Total current payments
	Merchandise imports (adjusted)	Travel	Interest and dividends	Freight and shipping	Other service payments	Official contributions	Other transfer payments	
D	50526	50531	50533	50537	50545	50542		50550
(Millions of dollars)								
1947	2,535	167	337	278	275	38	104	3,734
1948	2,598	134	325	279	284	23	94	3,737
1949	2,696	193	390	253	321	6	100	3,959
1950	3,132	226	475	301	358	5	106	4,603
1951	4,101	280	452	354	405	9	114	5,715
1952	3,854	341	413	375	398	16	144	5,541
1953	4,212	365	406	374	461	25	152	5,995
1954	3,916	389	424	356	470	11	164	5,730
1955	4,543	449	473	415	510	24	199	6,613
1956	5,565	498	524	502	575	30	222	7,916
1957	5,488	525	594	515	645	40	256	8,063
1958	5,066	542	614	460	639	53	263	7,637
1959	5,572	598	671	525	662	72	274	8,374
1960	5,540	627	656	533	733	61	298	8,448
1961	5,716	642	764	568	790	56	296	8,832
1962	6,203	605	783	595	859	36	297	9,378
1963	6,579	585	860	648	889	65	311	9,937
1964	7,537	712	1,010	679	975	69	329	11,311
1965	8,627	796	1,086	761	1,071	93	344	12,778
1966	10,102	900	1,140	823	1,294	166	337	14,726
1967	10,772	895	1,211	861	1,495	182	386	15,802
1968	12,249	982	1,259	931	1,650	133	357	17,561
1969	14,071	1,261	1,366	996	2,096	144	408	20,342
1970	13,869	1,422	1,550	1,106	2,267	201	411	20,826
1971	15,314	1,448	1,699	1,196	2,359	201	403	22,620
1972	18,272	1,464	1,713	1,315	2,486	227	392	25,869
1973	22,726	1,742	2,050	1,560	2,876	253	461	31,668
1974	30,902	1,978	2,435	2,036	3,658	332	471	41,812
1975	33,962	2,542	2,879	2,147	4,059	513	495	46,597
1976	36,607	3,121	3,323	2,232	4,690	455	520	50,952
1977	41,523	3,666	4,532	2,397	5,144	543	599	58,404
1978	49,151	4,084	5,707	2,589	6,311	910	633	69,385
1979	61,198	3,955	6,416	3,104	7,711	645	677	83,706
1980	68,153	4,444	7,073	3,456	9,260	680	701	93,767

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*.

Reference Table 75
Merchandise Trade Detail: Exports
1963 – 1980

Years	Wheat	Animals and other edible products	Ores and concentrates	Crude petroleum and natural gas	Other crude materials	Lumber	Woodpulp	Newsprint
D	3609					3629	3631	3632
(Millions of dollars)								
1963	787	675	703	310	414	452	405	760
1964	1,024	817	803	360	453	477	461	835
1965	840	869	863	384	517	490	493	870
1966	1,061	906	934	430	583	474	520	968
1967	742	902	1,016	522	571	505	543	955
1968	684	929	1,262	600	605	656	628	990
1969	473	992	1,138	702	623	697	754	1,126
1970	687	1,181	1,522	855	707	664	785	1,111
1971	833	1,279	1,415	1,038	811	830	798	1,085
1972	927	1,428	1,397	1,315	848	1,174	830	1,158
1973	1,221	1,937	2,000	1,833	1,192	1,599	1,082	1,288
1974	2,065	1,806	2,376	3,914	1,504	1,290	1,889	1,726
1975	2,023	2,124	2,241	4,144	1,581	973	1,835	1,746
1976	1,732	2,563	2,512	3,903	1,872	1,649	2,186	2,003
1977	1,881	2,727	2,730	3,779	2,341	2,387	2,158	2,382
1978	1,913	3,389	2,404	3,763	2,664	3,229	2,181	2,886
1979	2,180	4,114	3,889	5,294	3,349	3,901	3,084	3,222
1980	3,796	4,412	4,215	6,883	3,660	3,351	3,867	3,677
	Fabricated metals	Other fabricated materials	Motor vehicles and parts	Other machinery and equipment	Consumer goods and miscellaneous	Re-exports	Total	
			3653					3471
(Millions of dollars)								
1963	918	572	88	589	127	182	6,980	
1964	1,049	680	177	811	147	209	8,303	
1965	1,138	738	356	811	157	242	8,767	
1966	1,227	823	1,012	956	195	255	10,043	
1967	1,368	858	1,739	1,167	234	298	11,420	
1968	1,605	975	2,672	1,340	303	373	13,624	
1969	1,499	1,087	3,514	1,595	244	428	14,871	
1970	1,996	1,311	3,499	1,666	418	419	16,820	
1971	1,678	1,406	4,171	1,660	393	422	17,818	
1972	1,716	1,700	4,718	2,014	446	479	20,150	
1973	2,084	2,171	5,415	2,455	562	583	25,421	
1974	2,760	3,030	5,717	2,868	732	767	32,442	
1975	2,475	2,855	6,432	3,399	720	780	33,328	
1976	3,015	3,375	8,225	3,670	946	825	38,475	
1977	3,543	4,458	10,424	3,975	901	870	44,554	
1978	4,684	6,175	12,540	5,230	1,201	924	53,183	
1979	5,250	8,916	11,807	7,289	1,895	1,324	65,514	
1980	8,107	10,314	10,815	8,485	2,649	1,704	75,933	

Source: Statistics Canada, *Summary of External Trade*, cat. 65-001.

Reference Table 76
Merchandise Trade Detail: Imports
1963 – 1980

Years	Animals and edible products	Crude petroleum	Other crude materials	Fabricated materials	Motor vehicles and parts	Other machinery and equipment	Other end products and miscellaneous	Total
D		3745		3746	3774			3535
(Millions of dollars)								
1963	780	335	563	1,571	669	1,882	759	6,558
1964	795	321	640	1,813	818	2,190	911	7,488
1965	770	312	694	2,114	1,125	2,573	1,045	8,633
1966	805	299	724	2,233	1,581	3,048	1,382	10,072
1967	884	356	707	2,310	2,168	3,341	1,106	10,873
1968	918	373	754	2,435	3,001	3,477	1,401	12,358
1969	1,063	393	692	2,905	3,546	4,031	1,500	14,130
1970	1,116	415	757	2,886	3,252	3,991	1,536	13,952
1971	1,157	541	781	3,140	4,110	4,328	1,650	15,617
1972	1,401	681	859	3,579	4,934	5,184	2,032	18,669
1973	1,981	943	1,075	4,282	6,081	6,477	2,487	23,325
1974	2,516	2,646	1,426	6,482	7,124	8,414	3,113	31,722
1975	2,682	3,302	1,784	5,944	8,236	9,296	3,472	34,716
1976	2,871	3,280	1,811	6,211	9,440	9,641	4,240	37,494
1977	3,307	3,215	2,105	6,993	11,576	10,606	4,561	42,363
1978	3,782	3,457	2,434	8,748	13,386	13,111	5,185	50,102
1979	4,236	4,507	3,423	12,062	15,020	17,152	6,324	62,724
1980	4,772	6,877	4,390	12,682	13,475	19,704	7,079	68,979

Source: Statistics Canada, *Summary of External Trade*.

Reference Table 77
International Payments: Capital Movements
1950 – 1980

Years	Direct investment in Canada	Direct investment abroad	Canadian securities				Foreign securities (Net)	Loans and capital subscriptions by Government of Canada		Export credits at risk of govt.	Other long-term capital transactions
			New issues	Retirements	Trade in outstanding bonds and debentures	Trade in outstanding common and preference stocks		Advances	Repayments		
D	50560	50564			65000	50576			50629	50632	50650
(Millions of dollars)											
1950.....	225	35	210	-284	—	329	76	-50	74	—	-5
1951.....	320	-30	411	-184	—	38	15	—	68	—	28
1952.....	360	-85	323	-89	-168	73	-11	—	56	—	-4
1953.....	450	-70	335	-146	-52	21	-1	—	87	—	11
1954.....	425	-90	333	-205	-66	129	-24	—	72	—	25
1955.....	445	-85	166	-185	-165	137	-5	—	69	—	37
1956.....	650	-105	667	-141	11	187	-3	-4	69	—	159
1957.....	545	-80	800	-134	-45	142	1	-1	50	—	42
1958.....	430	-40	688	-158	—	88	1	-34	64	—	114
1959.....	570	-85	709	-258	92	110	-34	-1	34	—	38
1960.....	670	-50	448	-266	3	51	-19	-11	32	—	60
1961.....	560	-80	548	-301	61	39	-35	-8	38	—	103
1962.....	505	-105	729	-319	64	-115	-65	-22	129	-63	-64
1963.....	280	-135	334	-404	39	-170	22	-18	25	-72	75
1964.....	270	-95	1,100	-382	77	-98	-52	-10	10	-164	46
1965.....	535	-125	1,240	-390	55	-274	-85	-14	10	-187	54
1966.....	790	-5	1,465	-499	-104	-136	-401	-35	24	-41	144
1967.....	691	-125	1,307	-357	-57	12	-432	-38	34	107	229
1968.....	590	-225	1,917	-431	-70	114	-467	-78	5	29	197
1969.....	720	-370	2,089	-440	2	53	102	-89	22	-12	228
1970.....	905	-315	1,230	-552	-40	-145	70	-145	36	-129	61
1971.....	925	-230	1,191	-845	-96	-142	196	-190	36	-230	25
1972.....	620	-400	1,722	-603	292	-59	244	-249	37	-246	230
1973.....	830	-770	1,323	-738	29	-24	69	-269	43	-189	323
1974.....	845	-810	2,423	-626	41	-112	46	-350	39	-573	118
1975.....	725	-915	5,038	-851	302	5	-17	-377	38	-355	342
1976.....	-300	-590	9,026	-931	559	-79	79	-435	18	-174	750
1977.....	475	-740	5,889	-923	243	-91	221	-540	36	-547	245
1978.....	85	-2,010	6,522	-1,217	35	-396	25	-509	262	-808	1,373
1979.....	675	-1,945	5,273	-1,931	476	360	-556	-554	33	-780	1,787
1980.....	535	-2,675	5,372	-1,969	1,071	1,004	-129	-517	36	-1,106	-248

Reference Table 77 (continued)
International Payments: Capital Movements
1950 – 1980

Years	Change in certain Canadian assets of non-residents							Net capital movements excluding monetary items shown in the following columns ⁽²⁾	Special Drawing Rights allocations	Net official monetary assets	
	Canadian dollar deposits	Government of Canada demand liabilities	Treasury bills	Short-term paper ⁽¹⁾	Other finance company obligations	Residential holdings of foreign currencies	All other transactions			Official international reserves	Official international liabilities
D	50652	56654	50656		50676		50686	50693		50710	50713 50714
(Millions of dollars)											
1950.....	235	-4	-3	—	—	11	91	101	1,041	—	722 —
1951.....	-190	-8	2	—	—	-14	50	62	568	—	56 —
1952.....	-66	-5	1	—	35	-165	-16	-389	-150	—	37 —
1953.....	-22	-11	-2	—	-2	-80	44	-166	410	—	-38 —
1954.....	27	-15	8	—	10	-75	14	-70	548	—	124 —
1955.....	60	-9	29	—	23	91	5	30	643	—	-44 —
1956.....	-30	—	3	—	64	-216	85	24	1,420	—	48 —
1957.....	-15	—	-18	—	4	-274	87	242	1,346	—	-105 —
1958.....	39	45	21	—	24	-58	-89	111	1,246	—	109 —
1959.....	10	-8	14	—	68	-119	15	317	1,476	—	-11 —
1960.....	79	-12	56	—	59	-60	42	101	1,194	—	-39 —
1961.....	33	-2	-58	—	95	142	-77	157	1,220	—	296 -4
1962.....	-10	-4	4	—	119	92	240	-145	984	—	307 -153
1963.....	43	1	-27	70	35	-259	134	32	666	—	56 89
1964.....	28	—	-16	185	52	-329	5	113	788	—	297 67
1965.....	31	2	12	-152	209	415	177	-239	1,289	—	158 —
1966.....	11	5	-15	3	154	-520	119	-182	803	—	-360 1
1967.....	24	-4	4	-51	35	-362	-41	-501	519	—	17 3
1968.....	72	21	48	-132	24	-449	-23	-784	446	—	350 -1
1969.....	52	-34	20	218	116	-1,434	-74	-219	982	—	65 —
1970.....	26	-7	-79	310	-109	-154	-183	-387	424	133	1,662 1
1971.....	95	50	-3	77	-25	854	-18	-1,348	346	119	896 —
1972.....	139	27	22	-181	-30	448	47	-1,455	605	117	336 —
1973.....	143	77	-24	140	12	-519	-382	-650	-575	—	-467 —
1974.....	597	45	77	80	158	236	117	-867	1,484	—	24 —
1975.....	561	-4	37	350	-89	272	493	-1,203	4,352	—	-405 —
1976.....	160	7	440	534	47	-1,287	198	-3,658	4,364	—	522 —
1977.....	230	172	242	220	-55	728	-887	-2,035	2,880	—	-1,421 —
1978.....	37	55	-53	82	-15	2,205	-1,159	-2,767	1,747	—	-185 -3,114
1979.....	524	217	-183	589	-25	4,241	2,483	-3,897	6,787	219	-858 2,766
1980.....	-63	171	525	505	70	878	-910	-2,510	40	217	-543 -738

⁽¹⁾ Included in "all other transactions" for 1950 and 1951; included in "other finance company obligations" from 1952 to 1962.

⁽²⁾ Includes net errors and omissions.

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*.

Reference Table 78

Net Proceeds from New Issues of Canadian Securities to Non-Residents
1947 – 1980

Years	Government of Canada bonds (including guaranteed)			Provincial government bonds (including guaranteed)			Municipal government bonds			Total government bonds		
	New issues	Retire- ments	Net proceeds	New issues	Retire- ments	Net proceeds	New issues	Retire- ments	Net proceeds	New issues	Retire- ments	Net proceeds
D	65006	65011		65007	65012		65008	65013				
(Millions of dollars)												
1947.....	n.a.	39	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	39	n.a.
1948.....	150	36	144	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	150	36	114
1949.....	99	96	3	n.a.	n.a.	n.a.	6	n.a.	n.a.	105	96	9
1950.....	62	159	-97	96	n.a.	n.a.	20	n.a.	n.a.	178	159	19
1951.....	7	94	-87	262	43	219	72	12	60	341	149	192
1952.....	1	18	-17	107	38	69	55	17	38	163	73	90
1953.....	6	84	-78	143	28	115	76	15	61	225	127	98
1954.....	8	69	-61	126	63	63	46	28	18	180	160	20
1955.....	5	100	-95	3	19	-16	44	18	26	52	137	-85
1956.....	9	83	-74	224	15	209	112	18	94	345	116	229
1957.....	16	29	-13	136	25	111	123	24	99	275	78	197
1958.....	76	25	51	168	45	123	148	30	118	392	100	292
1959.....	56	101	-45	334	41	293	157	33	124	547	175	372
1960.....	30	58	-28	103	57	46	135	38	97	268	153	115
1961.....	37	48	-11	66	24	42	47	38	9	150	110	40
1962.....	156	86	70	148	22	126	74	41	33	378	149	229
1963.....	173	76	97	343	70	273	62	77	-15	578	223	355
1964.....	43	88	-45	439	66	373	182	58	129	664	207	457
1965.....	28	85	-57	297	31	266	84	53	31	409	169	240
1966.....	32	203	-171	448	64	384	177	96	81	657	364	293
1967.....	20	95	-75	762	61	701	173	52	121	955	208	747
1968.....	288	57	231	852	76	776	124	60	64	1,264	193	1,071
1969.....	40	83	-43	1,063	91	972	177	88	89	1,280	262	1,018
1970.....	26	157	-131	528	112	416	65	92	-27	619	361	258
1971.....	28	31	-3	725	317	408	26	99	-73	779	447	332
1972.....	30	44	-14	1,140	220	920	169	98	71	1,339	362	977
1973.....	18	110	-92	857	234	623	109	117	-8	989	461	523
1974.....	14	55	-41	1,713	211	1,502	234	96	138	1,961	362	1,599
1975.....	46	92	-46	3,334	342	2,992	541	82	459	3,921	516	3,405
1976.....	285	147	138	4,686	310	4,376	780	121	659	5,751	578	5,173
1977.....	719	146	573	3,083	313	2,770	368	99	269	4,170	558	3,612
1978.....	2,897	210	2,687	2,160	518	1,642	120	189	-69	5,177	917	4,260
1979.....	1,737	212	1,525	2,022	788	1,234	177	437	-260	3,936	1,437	2,499
1980.....	1,231	269	962	1,443	760	683	233	352	-119	2,907	1,381	1,526

Reference Table 78 (continued)

Net Proceeds from New Issues of Canadian Securities to Non-Residents
1947 – 1980

Years	Bonds and debentures of corporations			Total bonds and debentures			Common and preference stocks			Total securities		
	New issues	Retire-ments	Net proceeds	New issues	Retire-ments	Net proceeds	New issues	Retire-ments	Net proceeds	New issues	Retire-ments	Net proceeds
D	65009	65014	65005	65010	50586	50587						
(Millions of dollars)												
1947.....	n.a.	n.a.	n.a.	95	n.a.	n.a.	n.a.	n.a.	n.a.	95	364	– 269
1948.....	n.a.	n.a.	n.a.	150	n.a.	n.a.	n.a.	n.a.	n.a.	150	114	36
1949.....	n.a.	n.a.	n.a.	105	n.a.	n.a.	n.a.	n.a.	n.a.	205	147	58
1950.....	28	n.a.	n.a.	206	n.a.	n.a.	n.a.	n.a.	n.a.	206	284	– 78
1951.....	28	n.a.	n.a.	369	n.a.	n.a.	42	7	35	411	184	227
1952.....	136	15	121	299	88	211	24	1	23	323	89	234
1953.....	64	13	51	289	140	149	46	6	40	335	146	189
1954.....	133	35	98	313	195	118	20	10	10	333	205	128
1955.....	51	41	10	103	178	– 75	63	7	56	166	185	– 19
1956.....	252	20	232	597	136	461	70	5	65	667	141	526
1957.....	464	31	433	739	109	630	61	25	36	800	134	666
1958.....	253	42	211	645	142	503	43	16	27	688	158	530
1959.....	114	66	48	661	241	420	48	17	31	709	258	451
1960.....	154	104	50	422	257	165	26	9	17	448	266	182
1961.....	354	136	218	504	246	258	44	55	– 11	548	301	247
1962.....	331	140	191	709	289	420	20	30	– 10	729	319	420
1963.....	392	101	291	970	324	646	14	80	– 66	984	404	580
1964.....	414	117	297	1,078	324	754	22	58	– 36	1,100	382	718
1965.....	807	214	593	1,216	383	833	24	7	17	1,240	390	850
1966.....	751	131	620	1,408	495	913	57	4	53	1,465	499	966
1967.....	315	148	167	1,270	356	914	37	1	36	1,307	357	950
1968.....	586	233	353	1,850	426	1,424	67	5	62	1,917	431	1,486
1969.....	597	176	421	1,877	438	1,439	212	2	210	2,089	440	1,649
1970.....	541	187	354	1,160	548	612	70	4	66	1,230	552	678
1971.....	391	393	– 2	1,170	840	330	21	5	16	1,191	845	346
1972.....	345	239	106	1,684	601	1,083	38	2	36	1,722	603	1,119
1973.....	300	275	25	1,284	736	548	39	2	37	1,323	738	585
1974.....	448	223	225	2,409	585	1,824	14	41	– 27	2,423	626	1,797
1975.....	1,031	331	700	4,952	847	4,105	86	4	82	5,038	851	4,187
1976.....	3,197	302	2,895	8,948	880	8,068	78	51	27	9,026	931	8,095
1977.....	1,706	341	1,365	5,876	899	4,977	13	24	– 11	5,889	923	4,966
1978.....	1,218	300	918	6,395	1,217	5,178	127	0	127	6,522	1,217	5,305
1979.....	1,176	486	690	5,112	1,923	3,189	161	8	153	5,273	1,931	3,342
1980.....	1,990	573	1,417	4,897	1,954	2,943	475	15	460	5,372	1,969	3,403

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*.

Reference Table 79

Canadian Chartered Banks' Head Office and Branches in Canada

Net Change in Foreign Currency Positions⁽¹⁾

1964 – 1980

Years	With U.S. residents:			Other non-residents:			Total non-residents:			With Canadian residents:			Changes in banks' own positions
	Assets	Liabili- ties	Net	Assets	Liabili- ties	Net	Assets	Liabili- ties	Net	Assets	Liabili- ties	Net	
(Millions of dollars)													
1964	40	327	-287	691	101	590	731	428	303	197	532	-335	-32
1965	-208	-727	519	-440	505	-945	-648	-222	-426	276	-107	383	-43
1966	208	-309	517	-2	48	-50	206	-261	467	84	401	-317	150
1967	273	76	197	375	188	187	648	264	384	-103	363	-466	-82
1968	168	-296	464	725	701	24	893	405	488	-49	189	-238	250
1969	815	338	477	1,395	1,366	29	2,210	1,704	506	215	1,237	-1,022	-516
1970 ⁽²⁾	-33	22	-55	1,389	1,212	177	1,356	1,234	122	216	101	115	237
1971	-933	592	-1,525	318	197	121	-615	789	-1,404	-43	-1,470	1,427	23
1972	-87	175	-262	1,288	1,663	-375	1,201	1,838	-637	-100	-89	-11	-648
1973	528	265	263	3,211	3,131	80	3,739	3,396	343	175	1,406	-1,231	-888
1974	-47	1,026	-1,073	1,492	-935	2,427	1,445	91	1,354	1,116	1,997	-881	473
1975	-652	833	-1,485	558	-438	996	-94	395	-489	569	-513	1,082	593
1976	884	275	609	2,407	2,075	332	3,291	2,350	941	498	1,789	-1,291	-350
1977	-31	851	-882	838	1,340	-502	807	2,191	-1,384	2,217	843	1,374	-10
1978	2,238	4,324	-2,086	1,881	2,566	-685	4,119	6,890	-2,771	5,442	3,425	2,017	-754
1979	668	2,520	-1,852	3,739	5,992	-2,253	4,407	8,512	-4,105	1,177	-882	2,059	-2,046
1980	5,689	4,134	1,555	6,251	9,212	-2,961	11,940	13,346	-1,406	2,741	1,079	1,662	256

⁽¹⁾ Adjusted for variations in exchange rates.⁽²⁾ Commencing with September 30, 1970, changes in assets and liabilities with residents of Puerto Rico and the U.S. Virgin Islands are included with residents of the United States instead of with other non-residents.Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*.

Reference Table 80

Canada's Reserve Position with the International Monetary Fund⁽¹⁾

1946 – 1980

Years	IMF transactions with Canada				Canadian loans to IMF	IMF transactions with other countries in Canadian dollars	Reserve position at end of period
	Increases in subscription ⁽²⁾	Drawings(-) and repayments	Sales of gold and SDRs	Dividends paid in Canadian dollars			
(Millions of SDRs ⁽³⁾)							
1946-1960	137.5	—	—	—	—	14.9	152.5
1961	—	—	-25.0	—	—	84.6	212.1
1962	—	-300.0	—	—	—	-50.3	-138.2
1963	—	79.7	—	—	—	—	-58.5
1964	—	166.0	-9.0	—	—	99.0	197.5
1965	—	—	-27.5	—	—	183.4	353.4
1966	47.5	—	—	—	—	47.6	448.5
1967	—	—	—	—	—	-15.1	433.4
1968	—	-361.2	—	2.8	—	131.2	206.2
1969	—	—	-8.6	0.2	—	280.3	478.1
1970	90.0	—	-45.2	1.0	—	145.7	669.6
1971	—	—	-66.3	—	—	-270.7	332.6
1972	—	—	—	—	—	-16.6	315.9
1973	—	—	—	—	—	-35.5	280.4
1974	—	—	—	—	140.7	11.5	432.6
1975	—	—	—	—	106.2	14.7	553.5
1976	—	—	—	—	—	259.4	812.9
1977	—	—	-16.4	—	—	-31.5	701.4
1978	—	—	-8.2	—	—	-204.1	427.4
1979	—	—	-8.2	—	—	-38.0	296.5
1980	—	—	—	—	—	—	454.0

⁽¹⁾ Reserve position equals the Canadian subscription plus outstanding loans to the IMF minus IMF holdings of Canadian dollars. This is the amount of foreign exchange which Canada is entitled to draw from the Fund on demand for balance of payments purposes.

⁽²⁾ Portion paid in other than Canadian dollars.

⁽³⁾ Prior to May 8, 1972 one SDR equalled one U.S. dollar. From May 8, 1972, to October 18, 1973 one SDR was equivalent to U.S. \$1.08571; from October 18, 1973 to July 1, 1974 one SDR was equivalent to U.S. \$1.20635; since the latter date the value of the SDR in terms of U.S. dollars has been determined daily on the basis of a weighted average of the market values of 16 major currencies.

Source: International Monetary Fund, *International Financial Statistics*.

Reference Table 81
Canada's Official International Reserves
1961 – 1980

End of period	Foreign currencies ⁽¹⁾		Gold	Special Drawing Rights	Reserve position in IMF	Total	Total
	U.S. dollars	Other					
B	3801	3802	3803	3804	3805	3800	
	(Millions of U.S. dollars)						(Millions of SDRs)
1961	1,123.0	10.7	946.2	—	212.1	2,292.0	2,292.0
1962	1,842.8	9.2	708.5	—	—	2,560.5	2,560.5
1963	1,786.6	9.5	817.2	—	—	2,613.3	2,613.3
1964	1,654.5	11.8	1,025.7	—	197.5	2,889.5	2,889.5
1965	1,519.9	12.8	1,150.8	—	353.4	3,036.9	3,036.9
1966	1,195.4	12.4	1,045.6	—	448.5	2,701.9	2,701.9
1967	1,255.2	13.4	1,014.9	—	433.4	2,716.9	2,716.9
1968	1,964.9	11.6	863.1	—	206.2	3,045.8	3,045.8
1969	1,743.6	12.3	872.3	—	478.1	3,106.3	3,106.3
1970	3,022.1	14.5	790.7	182.1	669.6	4,679.0	4,679.0
1971	4,060.0	13.6	791.8	371.9	332.6	5,570.4	5,570.4
1972	4,355.0	12.6	834.1	505.2	342.9	6,049.9	5,572.3
1973	3,927.2	12.2	926.9	563.7	338.2	5,768.2	4,781.5
1974	3,767.7	12.9	940.7	574.3	529.7	5,825.3	4,757.9
1975	3,207.1	15.7	899.4	555.4	648.0	5,325.6	4,549.3
1976	3,446.3	15.8	879.0	557.8	944.5	5,843.4	5,029.3
1977	2,298.7	15.8	935.6	505.3	852.1	4,607.5	3,793.1
1978	2,459.5	18.4	1,009.1	522.4	556.8	4,566.2	3,504.9
1979	1,863.9	23.9	1,022.6	585.9	390.6	3,886.9	2,950.6
1980	2,037.6	23.1	936.6	453.2	579.0	4,029.6	3,159.5

⁽¹⁾ Convertible foreign currency of the Exchange Fund Account, the Receiver General for Canada and the Bank of Canada.

Source: Bank of Canada and Department of Finance.

Reference Table 82
Price of Foreign Currencies in Canada
1954 – 1980

Years	Belgian franc	French franc	German mark	Italian lira	Japanese yen	Dutch guilder	Swedish krona	Swiss franc	Pound sterling	U.S. dollar
B	3402	3404	3405	3406	3407	3408	3410	3411	3412	3400
(Average of daily rates)										
1954	0.0195	0.278	0.232	0.00156	0.00270	0.257	0.188	0.227	2.734	0.973
1955	0.0196	0.282	0.234	0.00158	0.00274	0.259	0.190	0.230	2.754	0.986
1956	0.0197	0.281	0.234	0.00158	0.00273	0.257	0.190	0.230	2.752	0.984
1957	0.0191	0.256	0.228	0.00154	0.00266	0.251	0.185	0.224	2.679	0.959
1958	0.0195	0.231	0.232	0.00156	0.00270	0.257	0.188	0.226	2.728	0.971
1959	0.0192	0.196	0.230	0.00155	0.00267	0.254	0.185	0.222	2.694	0.959
1960	0.0195	0.198	0.233	0.00156	0.00270	0.257	0.188	0.225	2.723	0.970
1961	0.0203	0.207	0.252	0.00163	0.00281	0.279	0.196	0.235	2.839	1.013
1962	0.0215	0.218	0.267	0.00172	0.00297	0.297	0.207	0.247	3.001	1.069
1963	0.0216	0.220	0.271	0.00174	0.00300	0.300	0.208	0.250	3.020	1.079
1964	0.0217	0.220	0.271	0.00173	0.00300	0.299	0.209	0.250	3.012	1.079
1965	0.0217	0.220	0.270	0.00173	0.00300	0.299	0.209	0.249	3.014	1.078
1966	0.0216	0.219	0.269	0.00173	0.00298	0.298	0.209	0.249	3.009	1.077
1967	0.0217	0.219	0.271	0.00173	0.00298	0.299	0.209	0.249	2.962	1.079
1968	0.0216	0.218	0.270	0.00173	0.00299	0.298	0.209	0.250	2.579	1.077
1969	0.0215	0.208	0.275	0.00172	0.00301	0.297	0.208	0.250	2.574	1.077
1970	0.0210	0.189	0.286	0.00167	0.00292	0.289	0.201	0.242	2.502	1.044
1971	0.0208	0.183	0.291	0.00163	0.00291	0.289	0.198	0.246	2.469	1.010
1972	0.0225	0.196	0.311	0.00170	0.00327	0.309	0.208	0.259	2.479	0.991
1973	0.0258	0.226	0.378	0.00172	0.00370	0.360	0.230	0.317	2.452	1.000
1974	0.0252	0.204	0.379	0.00150	0.00336	0.365	0.221	0.330	2.288	0.978
1975	0.0277	0.238	0.414	0.00156	0.00343	0.403	0.246	0.393	2.258	1.017
1976	0.0256	0.207	0.393	0.00119	0.00333	0.373	0.227	0.395	1.781	0.986
1977	0.0297	0.217	0.459	0.00121	0.00398	0.434	0.238	0.445	1.857	1.063
1978	0.0363	0.254	0.569	0.00135	0.00548	0.529	0.253	0.644	2.191	1.141
1979	0.0399	0.276	0.639	0.00141	0.00537	0.590	0.274	0.705	2.486	1.171
1980	0.0401	0.277	0.644	0.00137	0.00519	0.589	0.277	0.698	2.721	1.169

Source: Bank of Canada.

Reference Table 83
Indexes of Exchange Rates⁽¹⁾
1970 – 1980
(1971 = 100)

Years and months	Price of Canadian dollar in			Price of U.S. dollar in		
	United States	Other G – 10 countries	Total G – 10 countries	Canada	Other G – 10 countries	Total G – 10 countries
(Average of daily rates)						
1970	96.8	99.3	97.3	103.4	103.0	103.1
1971	100.0	100.0	100.0	100.0	100.0	100.0
1972	101.9	94.6	100.4	98.1	91.3	94.0
1973	101.0	87.4	97.9	99.0	82.4	88.7
1974	103.3	93.1	101.0	96.9	85.3	89.8
1975	99.3	89.8	97.2	100.7	83.9	90.3
1976	102.4	102.6	102.5	97.6	89.5	92.7
1977	95.0	92.8	94.5	105.3	85.4	92.9
1978	88.6	75.2	85.6	113.0	73.0	87.0
1979	86.2	69.5	82.4	116.0	70.3	86.0
1980	86.4	67.9	82.1	115.8	70.1	85.9
1979 J.....	84.7	68.1	81.0	117.8	68.7	85.4
F.....	84.5	68.1	80.7	118.4	69.2	85.9
M.....	86.0	69.5	82.3	116.3	69.7	85.7
A.....	88.1	72.0	84.4	113.5	71.2	85.9
M.....	87.4	72.1	83.9	114.4	71.9	86.8
J.....	86.1	70.2	82.5	116.1	71.3	86.8
J.....	86.8	68.0	82.5	115.2	69.2	85.0
A.....	86.3	67.6	82.0	115.9	69.0	85.1
S.....	86.7	68.7	82.5	115.4	69.6	85.4
O.....	85.9	69.5	82.2	116.4	70.8	86.5
N.....	85.6	70.3	82.1	116.8	72.1	87.6
D.....	86.3	69.2	82.4	115.8	70.5	86.2
1980 J.....	86.8	68.5	82.6	115.3	69.7	85.4
F.....	87.4	69.5	83.3	114.5	70.7	85.9
M.....	86.1	71.2	82.7	116.2	73.7	88.6
A.....	85.2	70.8	81.9	117.4	74.2	89.3
M.....	86.1	67.7	81.8	116.2	69.9	85.9
J.....	87.7	67.5	83.0	114.0	68.3	84.0
J.....	87.7	67.1	82.9	114.1	68.0	83.8
A.....	87.1	67.5	82.6	114.8	69.2	84.9
S.....	86.7	66.1	81.9	115.3	68.1	84.2
O.....	86.4	65.9	81.6	115.8	68.3	84.5
N.....	85.1	66.5	80.8	117.5	70.3	86.5
D.....	84.4	66.7	80.3	118.5	71.1	87.4

⁽¹⁾ Geometrically weighted by 1971 bilateral shares of trade. The Group of Ten countries comprise Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, the United Kingdom, and the United States, plus Switzerland.

Reference Table 84
Money Market and Eurodollar Rates
1976 – 1980

Months	Canada	United States	Japan	France	West Germany	United Kingdom	Netherlands	Belgium	Eurodollar: London
(Per cent)									
1976 J.....	8.59	4.96	7.28	6.36	3.58	9.92	3.92	3.99	5.48
F.....	8.79	4.85	7.00	7.20	3.28	8.75	3.30	5.41	5.53
M.....	9.07	5.05	7.00	7.63	3.65	8.46	2.03	7.56	5.60
A.....	8.99	4.88	6.75	7.54	2.81	9.18	2.98	7.74	5.41
M.....	8.94	5.19	6.75	7.54	3.71	10.43	4.39	6.52	5.96
J.....	8.98	5.44	6.90	7.63	4.31	10.96	5.62	7.16	6.20
J.....	9.07	5.28	7.08	8.29	4.48	10.87	7.45	7.14	5.79
A.....	9.13	5.15	7.25	9.42	4.21	10.88	7.16	10.28	5.67
S.....	9.11	5.07	7.05	9.25	4.33	12.03	13.89	12.18	5.57
O.....	9.01	4.93	6.77	10.74	3.26	14.02	11.08	15.52	5.45
N.....	8.59	4.75	6.77	10.68	3.98	14.16	8.66	8.86	5.30
D.....	8.14	4.35	7.11	10.44	5.03	13.79	6.89	7.37	5.01
1977 J.....	8.04	4.60	7.00	9.94	4.57	12.73	6.23	6.14	5.15
F.....	7.65	4.66	7.00	9.83	4.36	11.02	6.09	6.69	5.08
M.....	7.54	4.61	6.69	9.73	4.53	9.84	6.18	5.46	5.11
A.....	7.58	4.54	5.87	9.22	4.52	8.31	4.01	6.18	5.13
M.....	7.05	4.94	5.18	9.07	4.10	7.40	1.23	5.93	5.77
J.....	7.07	5.00	5.48	8.92	4.13	7.45	0.75	5.87	5.78
J.....	7.14	5.15	5.66	8.67	4.26	7.43	0.88	4.49	5.77
A.....	7.14	5.50	5.75	8.52	4.03	6.54	2.69	4.91	6.30
S.....	7.10	5.77	4.98	8.30	4.01	5.69	3.02	4.88	6.56
O.....	7.24	6.19	4.92	8.36	3.98	4.52	4.29	4.75	7.13
N.....	7.26	6.16	4.62	8.97	3.94	4.89	4.82	3.42	7.08
D.....	7.17	6.06	5.01	9.30	3.24	6.37	5.34	7.16	7.12
1978 J.....	7.13	6.45	4.79	8.88	3.37	5.81	5.11	7.56	7.31
F.....	7.30	6.46	4.80	10.18	3.34	5.96	5.45	4.12	7.27
M.....	7.73	6.32	4.62	9.96	3.55	5.94	5.33	4.64	7.26
A.....	8.19	6.31	4.14	8.48	3.53	6.77	4.56	4.04	7.38
M.....	8.13	6.43	4.06	8.08	3.54	8.40	4.65	3.63	7.83
J.....	8.26	6.71	4.11	7.76	3.55	9.15	3.99	4.06	8.31
J.....	8.71	7.07	4.44	7.43	3.40	9.22	4.10	3.85	8.52
A.....	8.80	7.04	4.39	7.25	3.23	8.90	3.47	5.06	8.50
S.....	9.17	7.84	4.25	7.20	3.51	9.00	5.59	4.93	9.11
O.....	9.85	8.13	4.18	6.99	3.07	9.92	13.56	7.41	10.15
N.....	10.36	8.79	3.93	6.89	2.67	11.51	8.76	6.96	11.52
D.....	10.46	9.12	4.57	6.67	3.56	11.57	10.29	6.45	11.58
1979 J.....	10.78	9.35	4.29	6.64	2.99	11.86	8.64	6.33	11.18
F.....	10.82	9.27	4.35	6.68	3.81	12.62	7.73	6.40	10.79
M.....	10.92	9.46	4.64	6.77	4.32	11.35	7.14	5.37	10.64
A.....	10.80	9.49	4.89	6.82	5.24	11.32	7.09	5.25	10.60
M.....	10.84	9.59	5.12	7.20	5.16	11.35	7.10	4.81	10.72
J.....	10.78	9.05	5.34	8.01	5.60	12.57	7.57	7.64	10.53
J.....	11.25	9.26	5.80	9.34	5.73	13.32	8.63	9.59	10.87
A.....	11.45	9.45	6.69	10.44	6.36	13.31	8.73	9.34	11.50
S.....	11.64	10.18	6.81	10.99	6.50	13.38	9.39	8.91	12.61
O.....	13.61	11.47	6.74	11.47	7.87	13.38	9.28	11.32	14.59
N.....	13.62	11.87	7.58	11.95	7.86	15.33	11.18	10.06	15.00
D.....	13.66	12.07	8.05	12.17	9.02	15.90	15.90	10.58	14.55
1980 J.....	13.50	12.04	8.06	11.99	8.25	15.79	11.18	11.74	14.41
F.....	13.55	12.81	8.74	12.17	8.06	16.14	10.99	9.66	16.97
M.....	15.24	15.53	10.73	12.96	8.61	16.18	9.50	12.59	19.94
A.....	15.15	14.00	12.21	12.40	9.05	16.17	10.47	14.83	13.94
M.....	11.58	9.15	12.56	12.61	9.80	16.09	11.14	13.47	9.75
J.....	10.38	7.00	12.64	12.43	10.04	15.80	10.97	11.96	9.75
J.....	10.06	8.13	12.70	12.04	9.80	14.55	10.31	11.84	9.81
A.....	10.49	9.26	12.09	11.32	8.92	14.86	10.09	9.80	12.50
S.....	10.95	10.32	11.40	11.37	9.27	14.40	9.86	9.51	13.94
O.....	11.91	11.58	11.04	11.22	9.01	14.29	9.34	9.50	15.25
N.....	13.70	13.89	9.50	10.74	8.76	13.95	9.05	10.04	18.31
D.....	17.01	15.66	9.49	10.88	9.16	13.07	8.60	9.73	17.75

Source: International Monetary Fund, *International Financial Statistics*.

Reference Table 85

Details of New Issues and Retirements of Government of Canada Marketable Bonds from January 1, 1980 to December 31, 1980

Date	Retirements	Amount	Sub- total	Currency of Payment	New Bonds	Amount Delivered	Sub- total	Currency of Payment	Yield to Maturity (%)	Net Change in Amount Out- standing
(Millions of dollars, par value)										
February 1	7½ % February 1, 1980	600		C	11¼ % December 15, 1982	600		C	12.27	
	9 % February 1, 1980	344	944	C	11½ % December 15, 1984	350		C	11.91	
					11¼ % December 15, 1989	50		C	11.86	
					11¼ % February 1, 2003	600	1,600	C	12.07	656
March 31					13¼ % March 15, 1983	150		C	13.96	
					13¼ % March 15, 1985 ⁽¹⁾	850		C	13.75	
					13¼ % March 15, 2000	250	1,250	C	13.86	1,906
April 1	6¼ % April 1, 1980	450		C						
	Various ⁽⁴⁾	199	649	C						1,257
April 15	5 % October 15, 1987 ⁽⁵⁾	1	1	U.S.						1,256
May 1					13¼ % March 15, 1983	150		C	13.75	
					13 % May 1, 1985 ⁽²⁾	500		C	13.14	
					13 % May 1, 2001	450	1,100	C	13.14	2,356
June 1	7½ % June 1, 1980	475	475	C	11¼ % March 15, 1983	400		C	11.49	
					11¼ % July 1, 1985	450		C	11.51	
					11¼ % December 15, 1989	150		C	11.69	
					11¼ % February 1, 2003	650	1,650	C	12.00	3,531
June 26	Various ⁽⁴⁾	40	40	C						3,491
July 1					10 % June 1, 1984	275		C	10.19	
					10½ % October 1, 1989	150		C	10.80	
					11¼ % December 1, 2002	475	900	C	11.31	4,391
August 1	5½ % August 1, 1980	267	267	C	10½ % February 1, 1983	250		C	10.50	
					10¾ % October 1, 1985	325		C	10.87	
					11¼ % December 15, 1989	125		C	11.29	
					11¼ % February 1, 2003	450	1,150	C	11.81	5,274
October 1	9 % October 1, 1980	449	449	C	12¼ % October 15, 1982	150		C	12.76	
					12½ % October 1, 1984 ⁽³⁾	775		C	12.99	
					13 % May 1, 2001	375	1,300	C	13.28	6,125
October	5 % October 15, 1987 ⁽⁵⁾	1	1	U.S.						6,124
December 1	7½ % December 1, 1980	800	800	C	13¼ % December 15, 1983	200		C	13.45	
					13 % May 1, 1985 ⁽²⁾	800		C	13.07	
					13½ % December 1, 1999	400	1,400	C	13.65	6,724
December 15					13 % May 1, 1985 ⁽²⁾	500	500	C	12.91	7,224

(1) Extendible at the option of the holder to March 15, 1990.

(2) Extendible at the option of the holder to May 1, 1990.

(3) Extendible at the option of the holder to October 1, 1990.

(4) Partial redemption for purchase funds.

(5) Partial redemption for sinking funds.

Source: Bank of Canada and Department of Finance.

Reference Table 86

Changes in Marketable Securities and Canada Savings Bonds Outstanding 1973 – 1980

	1973	1974	1975	1976	1977	1978	1979	1980
(Millions of dollars)								
Net new issues:								
Canadian dollars:								
Government of Canada — mar-								
ketable securities ⁽¹⁾	326	1,813	1,340	3,481	6,352	8,728	9,592	9,452
Canada Savings Bonds	-384	2,444	2,664	754	1,660	1,942	-1,329	-1,286
Total Government of Canada								
issues	-58	4,257	4,004	4,235	8,021	10,670	8,263	8,166
Provinces and municipalities ⁽²⁾	1,418	1,499	3,172	3,696	3,985	4,486	3,234	5,776
Corporations	1,820	1,706	2,399	1,268	3,126	3,127	1,523	1,650
Total Canadian dollar issues	3,180	7,462	9,575	9,199	15,132	18,283	13,020	15,592
Foreign currencies:								
Government of Canada	-90	-45	-37	-2	-2	2,315	726	-2
Provinces and municipalities	555	1,647	3,372	5,073	2,843	1,594	1,251	605
Corporations	-26	242	606	2,894	2,082	1,469	1,604	2,194
Total foreign-pay issues	439	1,816	3,941	7,977	4,925	5,378	3,581	2,797
Total net new issues	3,619	9,306	13,516	16,880	20,057	23,661	16,601	18,389
Taken up by:								
Bank of Canada	569	1,002	841	572	1,853	1,741	1,708	2,335
Chartered banks	32	1,472	-18	867	894	284	247	-69
Non-bank holders:								
Marketable securities	3,066	1,345	6,088	6,710	10,725	14,296	11,775	14,612
Canada Savings Bonds	-384	3,651	2,664	754	1,660	1,942	-1,329	-1,286
Holders of Canadian foreign pay	400	1,836	3,943	7,977	4,925	5,398	4,200	2,797
Total bond issues	3,619	9,306	13,516	16,880	20,057	23,661	16,601	18,389

⁽¹⁾ Includes Canada treasury bills.

⁽²⁾ Excludes securities bought by the Canada Pension Plan.

Source: Bank of Canada and Department of Finance.

Reference Table 87
Mortgage Loan Approvals
1975 – 1980

	1975	1976	1977	1978	1979	1980
(Millions of dollars)						
Residential						
Private lenders						
NHA	3,552	4,444	6,207	4,446	4,147	3,248
New	2,269	3,225	3,936	2,093	1,586	1,210
Existing	1,283	1,219	2,271	2,353	2,561	2,038
Conventional	5,430	5,741	8,396	9,441	9,902	8,578
New	2,384	2,515	2,685	3,324	3,983	3,173
Existing	3,046	3,226	5,711	6,117	5,919	5,405
Total private	8,982	10,185	14,603	13,887	14,049	11,826
New	4,653	5,740	6,621	5,417	5,569	4,383
Existing	4,329	4,445	7,982	8,470	8,480	7,443
CMHC	1,225	662	363	289	21	20
New	1,187	616	326	254	15	14
Existing	39	46	37	35	7	6
Total residential	10,207	10,847	14,966	14,176	14,071	11,846
New	5,840	6,356	6,947	5,671	5,584	4,397
Existing	4,368	4,491	8,019	8,505	8,487	7,449
Total public and private	11,500	12,284	17,146	16,655	17,213	14,197
Residential	10,207	10,847	14,966	14,176	14,071	11,846
Non-residential	1,293	1,437	2,180	2,479	3,142	2,351

Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*.

Reference Table 88
Mortgage Loan Approvals by Private Lending Institutions
1975 – 1980

	1975	1976	1977	1978	1979	1980
	(Millions of dollars)					
Chartered banks	2,853	2,844	4,690	5,182	5,513	4,743
Residential	2,787	2,810	4,605	4,977	5,209	4,419
New	1,571	1,633	1,762	1,751	1,938	1,619
Existing	1,216	1,177	2,843	3,226	3,271	2,800
Non-residential	66	35	85	204	305	324
Life companies	1,510	2,168	3,014	2,504	2,865	2,483
Residential	752	1,183	1,610	1,200	1,239	1,263
New	562	981	1,208	853	823	704
Existing	190	202	402	347	416	559
Non-residential	758	985	1,404	1,304	1,626	1,220
Loan, trust, etc. ⁽²⁾	5,933	6,623	9,083	8,689	8,816	6,952
Residential	5,467	6,210	8,394	7,719	7,605	6,144
New	2,544	3,144	3,657	2,822	2,813	2,060
Existing	2,923	3,066	4,737	4,897	4,792	4,084
Non-residential	466	413	689	970	1,211	808
Total residential	9,006	10,203	14,609	13,896	14,053	11,826
Total non-residential	1,290	1,433	2,178	2,478	3,142	2,352
Total private	10,295	11,636	16,787	16,374	17,195	14,178

⁽¹⁾ Includes NHA and conventional lending.

⁽²⁾ Includes loan and trust companies, Quebec savings banks, fraternal and mutual benefit societies, pension funds and mortgage investment brokers.

Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*.

Reference Table 89

Monetary Aggregates and Selected Banking System Statistics
1968 – 1980

	Currency and demand deposits (M1)	Currency and all chequable deposits (M1B)	Currency and all chequable, notice and term deposits (M2)	Currency plus total privately held chartered banks deposits (M3)	Currency and privately held Canadian dollar deposits	General loans	Canadian dollar major assets	Ordinary personal loans	Business loans
Years	(Average of Wednesdays)							(End of period)	
	(Millions of dollars)								
1968.....	8,265	15,746	21,724	—	25,138	12,511	24,137	3,674	7,728
1969.....	8,844	15,373	23,975	—	27,546	14,449	26,885	4,153	8,816
1970.....	9,049	14,743	25,611	32,206	29,053	15,210	28,296	4,656	9,057
1971.....	10,191	16,090	28,776	35,515	33,236	17,183	32,690	5,771	11,236
1972.....	11,642	18,120	31,804	40,481	39,106	21,425	39,012	7,146	13,640
1973.....	13,344	20,286	36,324	46,542	44,367	26,457	45,684	8,893	17,345
1974.....	14,607	21,465	43,615	58,073	53,196	32,304	54,752	10,848	20,836
1975.....	16,605	23,517	50,167	66,655	62,507	37,438	63,444	13,195	23,581
1976.....	17,945	24,984	56,484	78,923	73,160	45,022	74,017	16,171	28,737
1977.....	19,445	26,773	64,415	91,406	84,327	52,974	85,682	18,706	31,984
1978.....	21,414	29,137	71,279	103,881	94,341	59,088	98,258	21,634	35,180
1979.....	22,946	30,607	82,529	123,932	112,300	70,703	116,971	25,148	45,838
1980.....	24,424	31,989	97,488	141,798	130,532	84,867	133,554	28,880	56,630
	(Per cent change)								
1968.....	4.5	-5.0	—	—	13.4	12.6	12.8	23.1	9.6
1969.....	7.0	-2.4	10.4	—	9.6	15.5	11.4	13.0	14.1
1970.....	2.3	-4.1	6.8	—	5.5	5.3	5.2	12.1	2.7
1971.....	12.6	9.1	12.4	10.3	14.4	13.0	15.5	24.0	24.1
1972.....	14.2	12.6	10.5	14.0	17.7	24.7	19.3	23.8	21.4
1973.....	14.6	12.0	14.2	15.0	13.5	23.5	17.1	24.4	27.2
1974.....	9.5	5.8	20.1	24.8	19.9	22.1	19.8	22.0	20.1
1975.....	13.7	9.6	15.0	14.8	17.5	15.9	15.9	21.6	13.2
1976.....	8.1	6.2	12.6	18.4	17.0	20.3	16.7	22.6	21.9
1977.....	8.4	7.2	14.0	15.8	15.3	17.7	15.8	15.7	11.3
1978.....	10.1	8.8	10.7	13.6	11.9	11.5	14.7	15.6	10.0
1979.....	7.2	5.0	15.8	19.3	19.0	19.7	19.0	16.2	30.3
1980.....	6.4	4.5	18.1	14.4	16.2	20.0	14.2	14.8	23.5

Source: Bank of Canada, *Review*, monthly.

Reference Table 90
Canadian Marketable Securities
Supply of Securities and Distribution of Holdings
(Flows) 1971 – 1980

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1979 ⁽¹⁾	1980 ⁽¹⁾
(Millions of dollars)											
Supply of securities											
Short-term securities											
Government of Canada treasury bills	190	331	556	938	561	1,602	2,350	2,673	2,282	1,436	4,505
Junior government treasury bills and notes	64	36	-72	-55	294	-86	29	265	-81	-65	339
Other short-term paper	270	271	873	2,714	301	1,149	790	2,368	3,691	1,957	5,732
Long-term securities											
Government of Canada bonds	276	30	-225	801	716	1,768	3,785	5,764	7,616	5,980	5,301
Junior government bonds	1,549	2,245	1,797	3,093	5,544	7,492	5,552	4,694	4,194	3,473	2,754
Bonds issued by non-financial corporations	1,698	863	750	1,457	2,112	2,132	1,983	1,563	474	350	1,474
Bonds issued by financial corporations	356	640	822	584	686	1,547	1,026	1,080	1,077	1,023	320
Bonds issued by public corporations	-1	15	34	-1	-1	391	560	470	825	768	974
Stocks	745	796	1,418	1,352	1,756	1,228	3,026	7,898	6,249	4,505	4,592
Foreign investment	-196	-244	-69	-46	17	-79	-221	-25	556	273	-120
Total	4,951	4,983	5,884	10,837	11,986	17,144	18,880	26,750	26,883	19,700	25,871
Distribution of holdings											
Residents	4,769	3,790	5,178	8,954	7,105	7,595	13,284	21,777	22,299	15,342	20,280
Bank of Canada	575	590	608	1,103	734	638	1,749	1,706	1,606	1,076	1,397
Chartered banks	1,153	148	-82	1,545	-123	1,504	3,581	7,183	48	121	-474
Near banks	687	187	65	-52	595	516	1,340	1,155	1,281	1,562	2,738
Insurance and pension institutions	1,858	2,146	2,287	2,318	3,633	4,023	4,420	5,951	8,351	5,560	6,165
Other private financial institutions	378	269	-247	712	726	1,312	772	1,300	687	733	1,700
Other residents	117	449	2,547	3,328	1,540	-397	1,422	4,482	10,326	6,290	8,754
Non-residents	182	1,193	706	1,883	4,881	9,549	5,596	4,973	4,584	4,358	5,591

⁽¹⁾ January to September.

Source: Department of Finance and Bank of Canada.

Reference Table 91
Credit Expansion by Sector
(Flows) 1971 – 1980

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1979 ⁽²⁾	1980 ⁽²⁾
(Millions of dollars)											
Funds raised in credit markets											
by domestic private sector	9,909	11,030	17,060	21,555	19,394	23,792	27,225	34,455	44,873	33,164	31,587
(Per cent of GNP)	10.5	10.5	13.8	14.6	11.7	12.4	13.0	15.0	17.2	17.2	14.8
Loans to persons	1,092	2,339	2,708	3,058	3,100	4,158	3,327	4,814	5,119	3,707	2,458
Mortgages	2,760	4,203	6,866	7,504	7,818	10,287	13,224	16,351	15,601	11,976	8,612
Non-financial business short-term	2,522	2,075	3,900	7,279	2,732	4,791	3,681	4,323	14,410	11,371	11,513
Non-financial business long-term ⁽¹⁾	3,327	2,193	2,991	3,297	5,197	3,638	6,425	7,830	7,781	4,783	8,153
Short term by other private domestic	208	221	595	417	547	918	568	1,137	1,962	1,327	852
By government sector..	4,759	4,454	2,916	7,894	11,501	13,551	14,596	23,000	12,254	8,909	12,690
Federal	3,012	1,520	- 42	4,147	3,847	4,080	7,996	13,691	6,347	3,738	7,210
Federal enterprises	- 274	249	393	16	785	695	510	2,527	964	1,092	1,635
Provincial	1,877	2,227	1,882	2,748	5,362	7,520	5,500	6,237	4,148	3,128	3,958
Municipal	144	458	683	983	1,507	1,256	590	545	795	951	- 114
By non-residents	2,250	875	1,953	1,621	2,674	4,010	2,623	5,882	3,505	4,458	5,647
Total	16,918	16,359	21,929	31,069	33,569	41,354	44,444	63,337	60,632	46,532	49,924
(Per cent of GNP) ..	17.9	15.5	17.7	21.1	20.3	21.6	21.3	27.6	23.3	24.2	23.4
Funds raised abroad ..	2,657	2,816	2,091	3,424	6,905	10,213	8,047	10,762	10,384	6,732	6,335
Funds raised in Canada	14,261	13,543	19,838	27,424	26,664	31,140	36,397	52,575	50,248	39,799	43,589
(Per cent of GNP)	15.1	12.9	16.1	18.6	16.1	16.3	17.4	22.9	19.3	20.7	20.5
Funds raised by Canadians	12,011	12,668	17,885	25,803	23,990	27,130	33,774	46,693	46,743	35,341	37,942
(Per cent of GNP)	12.7	12.0	14.5	17.5	14.5	14.2	16.2	20.3	18.0	18.4	17.8

⁽¹⁾ Bonds plus stocks plus direct investment from abroad plus bank loans.

⁽²⁾ January to September.

Source: Department of Finance and Bank of Canada.

Reference Table 92
Credit Expansion by Instrument
(Flows) 1971 — 1980

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1979 ⁽²⁾	1980 ⁽²⁾
(Millions of dollars)											
Total funds raised in credit markets	16,918	16,359	21,929	31,068	33,569	41,355	44,444	63,336	60,632	46,532	49,924
Short-term instruments	8,838	6,899	9,228	14,721	12,460	16,631	13,405	23,099	20,850	17,507	21,542
Money market instruments	612	147	329	2,321	1,075	1,855	2,291	3,365	3,963	2,772	8,916
Bank loans	3,068	4,815	7,177	7,865	5,989	9,668	5,993	11,508	16,002	12,667	8,965
Other loans	639	468	1,309	2,233	1,514	1,360	2,279	3,371	2,991	1,813	2,123
Saving bonds	2,663	1,209	-425	2,329	2,834	840	1,790	2,013	-1,809	-2,143	-1,512
Loans to non-residents	1,856	261	838	-27	1,048	2,908	1,052	2,842	-297	2,398	3,050
Longer-term instruments	8,080	9,460	12,701	16,348	21,109	24,723	31,039	40,237	39,782	29,025	28,381
Mortgages from private lenders	2,760	4,203	6,866	7,504	7,818	10,287	13,224	16,351	15,601	11,976	8,612
Marketable bonds	3,297	3,146	2,349	5,143	8,357	11,774	11,804	12,484	13,102	10,564	10,499
Equities	704	621	1,248	1,041	1,384	981	2,674	6,877	5,230	3,555	3,899
Bank loans ⁽¹⁾	—	256	293	167	1,199	879	1,292	1,400	1,372	960	1,974
Direct investment from abroad	925	620	830	845	725	-300	475	85	675	-90	800
Loans to non-residents	394	614	1,115	1,648	1,626	1,102	1,571	3,040	3,802	2,060	2,597

⁽¹⁾ Prior to 1972 the breakdown of bank loans on the basis of the term to maturity is unavailable.

⁽²⁾ January to September.

Source: Department of Finance and Bank of Canada.

Reference Table 93
Chartered Banks
(Flows) 1971 – 1980

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
(Millions of dollars)										
Total assets held with Canadians	6,019	6,410	9,398	11,398	8,892	11,695	15,318	22,008	21,772	17,451
Total Canadian dollar assets	6,062	6,511	9,221	10,267	8,330	11,190	13,084	16,786	20,629	14,809
Canadian liquid assets	1,114	337	571	1,646	185	1,509	1,821	984	1,480	-536
Treasury bills	11	264	469	270	-269	707	717	537	1,087	793
Other	1,103	73	102	1,376	454	802	1,104	447	393	-1,329
Less liquid assets	4,948	6,174	8,650	8,621	8,145	9,681	11,263	15,802	19,149	15,345
Ordinary personal loans	1,114	1,367	1,734	1,939	2,332	2,965	2,520	2,941	3,506	3,709
Mortgages	851	1,086	1,170	1,459	1,677	1,383	2,663	3,416	2,896	399
Business loans	2,168	2,393	3,674	3,433	2,660	4,990	3,105	3,118	10,425	10,519
Other bank loans	16	563	1,131	766	990	661	276	1,457	2,127	1,484
Corporate securities	426	308	-117	564	131	722	1,303	3,683	-286	-633
Other assets	373	457	1,058	460	355	-1,040	1,396	1,187	481	-133
Foreign currency loans to residents	-48	-101	191	1,093	557	507	1,010	2,334	1,071	2,962
Government of Canada	0	0	0	0	0	0	0	1,632	-1,276	362
Others	-48	-101	191	1,093	557	507	1,010	702	2,347	2,600
Foreign currency securities of residents	4	0	-14	38	5	-1	1,224	2,888	72	-319
Liabilities with Canadians	4,743	5,673	9,793	12,769	8,372	12,579	13,642	19,356	18,638	15,970
Non deposit liabilities	490	641	553	492	820	855	874	1,586	1,761	1,462
Deposit liabilities	4,253	5,032	9,240	12,277	7,552	11,724	12,768	17,770	16,877	14,508
Foreign currency deposits	-1,469	-85	1,403	2,044	-523	1,823	871	3,297	-559	1,030
Canadian dollar deposits	5,722	5,117	7,837	10,233	8,075	9,901	11,897	14,473	17,436	13,478
Personal savings deposits	1,168	2,166	4,655	5,185	3,448	7,241	4,470	6,580	12,688	10,729
Government of Canada	982	168	-46	2,321	-1,019	-560	1,630	1,733	-4,048	1,675
Demand deposits	1,353	1,286	1,378	470	2,684	-880	2,240	1,226	453	1,220
Other deposits	2,219	1,497	1,850	2,257	2,962	4,100	3,557	4,934	8,343	-146
Net position with non-residents booked in Canada	1,405	637	-343	-1,354	489	-941	1,384	2,771	4,105	1,406
Residual claim on non-residents	-129	100	-52	-17	32	57	292	-119	-971	76

Source: Department of Finance and Bank of Canada.

Reference Table 94
Other Deposit Accepting Institutions
(Flows) 1971 – 1980

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1979 ⁽¹⁾	1980 ⁽¹⁾
(Millions of dollars)											
Net lending or borrowing	17	38	16	- 10	60	39	60	52	- 41	- 24	- 84
Net financial investment	16	38	16	- 11	62	41	61	52	- 41	- 24	- 84
Net increase in financial assets	2,337	3,283	4,842	4,381	5,878	7,637	9,303	10,024	11,063	8,933	9,150
Currency and deposits											
Currency and bank deposits	78	286	304	348	- 18	367	534	291	148	50	- 84
Deposits in other institutions	109	82	- 46	27	331	37	77	- 25	32	39	145
Foreign currency and deposits ..	- 85	- 98	146	- 12	209	149	- 90	97	- 178	- 194	139
Consumer credit	200	313	467	422	545	776	701	1,165	1,100	979	578
Other loans	319	166	74	165	196	460	35	189	585	358	499
Government of Canada											
treasury bills	- 6	- 1	1	2	17	7	92	57	- 131	- 127	304
Finance company and other											
short-term commercial paper	130	- 81	- 51	43	61	192	501	- 316	155	298	967
Mortgages	1,260	2,284	3,680	3,284	3,779	4,978	6,451	6,606	8,017	6,103	4,817
Bonds											
Government of Canada bonds ..	57	55	- 127	- 48	13	40	222	440	270	171	505
Provincial government bonds	195	69	11	- 51	175	142	92	128	35	131	398
Municipal government bonds	164	41	128	- 14	115	8	37	65	- 80	20	- 39
Other Canadian bonds	127	84	66	- 43	146	65	140	184	627	688	475
Claims on associated											
corporate enterprises	- 31	6	24	89	163	213	105	187	- 4	- 23	138
Stocks	16	18	38	71	83	93	375	607	352	351	179
Foreign investments	- 3	1	- 3	4	11	0	4	19	3	3	33
Other financial assets	81	146	130	94	52	110	27	330	132	86	96
Net increase in liabilities	2,321	3,245	4,826	4,392	5,816	7,596	9,242	9,972	11,104	8,957	9,234
Currency and deposits	2,309	3,080	4,257	4,012	5,367	6,574	8,261	9,008	9,471	7,626	7,134
Loans											
Bank loans	65	- 2	70	- 80	3	- 18	61	69	185	48	- 195
Other loans	- 108	48	32	2	11	131	249	120	513	186	480
Finance company and other											
short-term commercial paper	0	0	65	82	- 85	91	52	79	74	178	234
Mortgages	0	0	0	0	0	0	21	- 32	8	14	3
Other Canadian bonds	0	0	185	139	134	301	155	86	172	131	147
Claims on associated											
corporate enterprises	- 56	10	42	4	46	139	36	24	23	30	152
Stocks	29	35	36	75	128	152	182	231	196	72	324
Other liabilities	82	74	139	158	212	226	225	387	462	672	955
Discrepancy	1	0	0	1	- 2	- 2	- 1	0	0	0	0

(1) January to September.

Source: Statistics Canada, *Financial Flow Accounts*, cat. 13-002.

Reference Table 95
Insurance Companies and Pension Funds
(Flows) 1971 – 1980

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1979 ⁽¹⁾	1980 ⁽¹⁾
(Millions of dollars)											
Net lending or borrowing	-128	-67	-91	-100	-108	-144	-144	-102	-350	-176	-308
Net financial investment	-128	-67	-91	-100	-108	-144	-144	-102	-350	-176	-308
Net increase in financial assets	2,157	2,836	3,608	4,072	5,021	6,502	7,510	8,896	11,257	7,807	8,888
Currency and deposits											
Currency and bank deposits	-43	136	104	286	84	86	187	160	473	510	649
Deposits in other institutions	-21	14	70	-12	-77	-2	141	17	17	93	13
Foreign currency and deposits	0	0	23	-13	-11	2	4	76	-13	-13	25
Consumer credit	25	19	73	178	95	85	65	86	196	103	247
Trade receivables	39	33	-17	-3	-9	140	52	193	46	-149	56
Other loans	9	-6	12	25	-16	43	-25	-18	81	86	-3
Government of Canada											
treasury bills	0	1	0	3	15	17	86	164	-20	-60	221
Finance company and other											
short-term commercial paper	24	110	58	299	157	12	663	545	1,410	655	-137
Mortgages	285	437	943	1,193	1,300	1,962	2,451	2,153	2,275	1,723	1,556
Bonds											
Government of Canada bonds	-75	59	-99	9	42	439	643	1,286	2,932	1,683	1,458
Provincial government bonds	490	466	851	557	1,163	1,273	1,558	1,994	1,586	1,441	1,458
Municipal government bonds	-49	-34	26	35	82	100	243	143	264	139	199
Other Canadian bonds	636	529	171	923	1,356	1,034	922	1,093	654	673	1,213
Claims on associated enterprises	0	0	0	0	0	0	0	48	31	30	46
Stocks	803	988	752	503	653	968	305	433	772	475	1,272
Foreign investments	20	9	23	-8	150	180	0	143	610	435	401
Other financial assets	14	75	118	97	37	163	215	380	-57	-17	214
Net increase in liabilities	2,285	2,903	3,699	4,172	5,129	6,646	7,654	8,998	11,607	7,983	9,196
Trade receivables	0	0	0	0	0	0	0	17	-2	7	7
Bank loans	0	0	0	0	0	0	0	12	-28	107	123
Other loans	0	0	0	0	0	0	0	0	2	0	10
Mortgages	0	0	0	0	0	0	0	-23	34	44	12
Life insurance and pension	2,278	2,898	3,691	4,153	5,111	6,631	7,637	8,858	11,454	7,744	9,028
Claims on associated corporate											
enterprises	0	0	0	0	0	0	0	-7	-3	-26	-35
Stocks	7	5	8	19	18	15	17	8	2	1	1
Other liabilities	0	0	0	0	0	0	0	133	148	106	50

⁽¹⁾ January to September.

Source: Statistics Canada. *Financial Flow Accounts*.

Reference Table 96
Other Private Financial Institutions
(Flows) 1971 – 1980

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1979 ⁽¹⁾	1980 ⁽¹⁾
(Millions of dollars)											
Net lending or borrowing	274	267	203	204	459	629	452	408	491	379	316
Net financial investment	275	267	203	204	459	629	452	408	491	379	316
Net increase in financial assets	880	1,500	2,098	3,820	2,733	4,499	4,386	6,042	6,715	5,888	5,933
Currency and deposits											
Currency and bank deposits	117	87	-32	-58	213	327	120	345	1,024	661	-385
Deposits in other institutions	28	33	27	-40	69	-33	-18	90	-84	-107	5
Foreign currency and deposits ..	-10	18	71	-121	75	135	64	-22	341	275	95
Consumer credit	-124	286	368	159	70	62	-12	288	121	-139	-247
Trade receivables	26	2	10	70	121	59	71	27	128	142	160
Other loans	315	374	753	1,715	698	644	1,449	1,408	2,314	1,218	2,087
Government of Canada											
treasury bills	-57	13	-62	68	163	68	234	126	-99	38	787
Finance company and other											
short-term commercial paper	52	391	-325	583	278	319	-200	777	190	33	201
Mortgages	40	153	545	514	411	569	845	960	375	291	332
Bonds											
Government of Canada bonds ..	-101	3	-11	-23	-47	373	337	364	508	404	485
Provincial government bonds	170	71	66	96	179	151	131	134	94	151	21
Municipal government bonds	39	-8	49	41	47	28	97	23	10	16	6
Other Canadian bonds	128	137	197	100	204	260	202	73	-50	12	-24
Claims on associated											
corporate enterprises	113	189	337	672	675	1,116	939	936	1,781	916	914
Stocks	49	-314	16	-163	-86	-6	11	-161	-132	-14	-27
Foreign investments	-16	-215	-178	-50	-12	-64	-87	-2	148	118	101
Other financial assets	111	280	267	257	-325	491	203	676	46	1,873	1,422
Net increase in liabilities	605	1,233	1,895	3,616	2,274	3,870	3,934	5,634	6,224	5,509	5,617
Currency and deposits	0	0	0	0	0	27	37	29	11	10	8
Trade payables	-2	23	29	33	22	48	52	58	71	40	-1
Loans											
Bank loans	279	177	262	556	161	-212	312	126	1,249	1,107	-9
Other loans	220	207	-414	222	255	311	-223	537	-171	40	876
Finance company and other											
short-term commercial paper	-127	342	859	1,255	202	612	916	1,588	1,687	374	1,498
Mortgages	3	13	-48	21	6	2	1	12	9	8	-4
Other Canadian bonds	87	304	485	381	660	1,198	795	591	442	430	415
Life insurances and pensions	0	0	0	0	0	0	0	237	267	175	157
Claims on associated											
corporate enterprises	-128	-34	234	550	220	262	354	-38	1,090	933	623
Stocks	-123	-226	24	15	291	396	509	1,298	1,150	621	578
Other liabilities	396	427	464	583	457	1,226	1,181	1,196	419	1,771	1,476
Discrepancy	-1	0	0	0	0	0	0	0	0	0	0

(1) January to September.

Source: Statistics Canada, *Financial Flow Accounts*.

Reference Table 97
Non-Financial Private Corporations
(Flows) 1971 – 1980

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1979 ⁽¹⁾	1980 ⁽¹⁾
(Millions of dollars)											
Net lending or borrowing	-2,792	-3,431	-4,139	-7,464	-3,218	-3,711	-4,455	-5,598	-7,245	-4,242	-4,379
Net financial investment	-2,951	-2,232	-2,711	-7,139	-4,263	-5,209	-3,712	-5,529	-8,860	-4,268	-7,725
Net increase in financial assets	3,883	3,390	6,384	8,994	6,559	5,610	8,192	17,849	19,208	14,648	11,413
Currency and deposits											
Currency and bank deposits	730	58	272	477	656	859	929	1,387	-443	-347	-309
Deposits in other institutions	-33	104	-109	-33	-72	66	1	296	257	329	-103
Foreign currency and deposits	-188	54	371	-2	-207	578	-96	832	288	175	-50
Consumer credit	98	17	109	133	96	-38	17	30	-60	-122	-9
Trade receivables	1,641	1,396	3,101	5,042	3,759	2,276	3,877	8,162	7,117	5,858	4,760
Other loans	-4	8	79	97	204	-130	518	556	341	-17	166
Government of Canada											
Treasury bills	61	-23	73	-79	16	37	-8	0	39	8	35
Finance company and other											
short-term commercial paper	-109	165	488	-84	353	-239	245	238	1,152	650	572
Mortgages	69	102	19	44	7	79	17	655	-70	-54	-22
Bonds											
Government of Canada bonds	11	37	-28	-4	-6	-30	14	36	-1	-9	-11
Provincial government bonds	0	-40	4	-49	104	-4	12	-25	-3	-2	30
Municipal government bonds	0	-11	10	1	13	-2	-11	-3	21	-3	-65
Other Canadian bonds	-7	18	-29	-73	15	-19	-33	51	46	144	-51
Claims on associated											
corporate enterprises	647	973	1,177	1,967	1,194	1,452	2,595	3,768	6,935	4,919	4,591
Stocks	70	312	78	214	-29	23	-28	445	782	1,038	444
Foreign investments	48	-127	28	40	-69	1	73	160	-81	12	277
Other financial assets	849	347	741	1,303	525	701	70	1,261	2,888	2,069	1,158
Net increase in liabilities	6,834	5,622	9,095	16,133	10,822	10,819	11,904	23,378	28,068	18,916	19,138
Trade payables	1,232	1,660	2,315	4,857	2,523	1,177	2,087	5,701	6,420	2,820	2,524
Loans											
Bank loans	1,386	1,697	2,624	3,144	2,440	2,970	1,203	3,902	5,304	4,636	5,165
Other loans	64	278	711	569	905	720	805	924	2,041	1,547	999
Finance company and other											
short-term commercial paper	320	-238	-177	1,463	212	353	-408	477	994	967	364
Mortgages	530	336	320	500	332	757	410	1,257	870	715	1,220
Other Canadian bonds	1,698	863	750	1,457	2,112	2,132	2,028	1,563	474	350	1,474
Claims on associated											
corporate enterprises	357	302	173	871	661	1,103	1,410	1,466	2,026	1,645	2,241
Stocks	704	454	1,118	828	1,161	927	2,672	4,782	5,260	3,563	3,905
Other liabilities	543	270	1,261	2,444	476	680	1,697	3,306	4,679	2,673	1,246
Discrepancy	159	-1,199	-1,428	-325	1,045	1,498	-743	-69	1,615	26	3,346

⁽¹⁾ January to September.

Source: Statistics Canada, *Financial Flow Accounts*.

Economic Review

April 1982

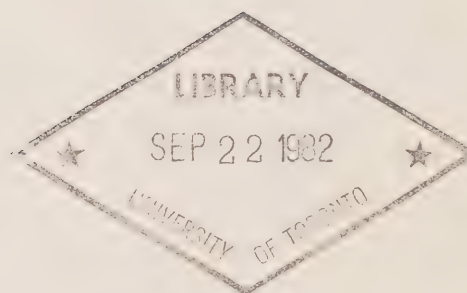
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Canada

Economic Review

April 1982

A general review of recent economic developments
presented by
The Honourable Allan J. MacEachen
Minister of Finance



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Canadian Government Publishing Centre
Supply and Services Canada
Ottawa, Canada, K1A 0S9

Catalogue No. FI-21/1982E

Canada: \$8.95

ISBN 0-660-11130-6

Other countries: \$10.75

Price subject to change without notice

Front Cover: Light reflecting through a series of processed silicon wafers manufactured by a Canadian company. There are from 20 to 30 integrated circuits printed on each three-inch wafer, depending on the end use. Photo: Mitel

Contents

1 A General Overview of Developments in 1981	1
International Developments and Policy Environment	1
Canadian Developments and Policy Environment	2
Outline of This Year's Review	3
2 Price, Wage and Productivity Developments	7
Price Developments	7
Labour Costs	10
Relative Prices	11
The Consumer Price Index and Relative Price Changes	11
Productivity and Real Wages	12
Shares of Net National Income	16
3 Financial Developments	17
Monetary Policy in 1981	17
Short-Term Interest Rates	19
Real Interest Rates	21
Long-Term Interest Rates	21
Financial Markets in 1981	23
Non-Financial Business Sector	23
Securities Market	26
Personal Sector	28
Chartered Banks	30
Non-Bank Financial Institutions	33
4 Personal, Housing and Business Sectors	35
Sources of Income	35
Personal Expenditure	36
Expenditure, Relative Prices and Income	38
Housing Starts	39
Fixed Investment	41
Inventories	42
Business Profitability	42
Sources and Uses of Funds	44
Financial Ratios	46
Appendix: Inflation-Adjusted Savings and Disposable Income	46
5 The Labour Market	49
Labour Supply	49
Labour Demand	50
Labour Market in the Second Half of 1981	53
Work Stoppages in 1981	56
6 Sectoral and Regional Developments	59
Agriculture	59
Fishing	59
Forestry	59
Mining	59

Manufacturing	60
Construction	62
Utilities	62
Transportation, Storage and Communication	63
Trade	63
Finance, Insurance and Real Estate Services	63
Community, Business and Personal Services	63
Public Administration and Defence	63
Atlantic Region	63
Quebec	65
Ontario	67
Prairie Region	67
British Columbia	68
 7 Balance of Payments	 71
Current Account	71
Merchandise Trade	71
Services	77
Interest and Dividends	77
Other Services	77
Travel	77
Capital Account, Exchange Rate and International Reserves	80
Appendix: International Competitiveness	83
 8 The Government Sector	 87
Federal Government	87
Debt Management	91
Provincial and Local Governments	95
Canada and Quebec Pension Plans	99
Total Government Sector	100
Budget Balances	102
 9 International Comparisons	 105
Real Output Growth	105
Labour Markets	105
Inflation	108
Labour Productivity	108
Interest Rates and Exchange Rates	108
Balance of Payments	108
Budget Balances	109
Reference Tables	113

Tables

1.1	Summary of Real Gross National Expenditure in Canada	2
2.1	Recent Inflation in Canada and Related Factors	8
2.2	Wage and Price Inflation in Canada and the U.S.	11
2.3	Relative Price Changes	12
2.4	A Comparison of Movements in the Consumer Price Index using Different Expenditure Weights	13
2.5	A Comparison of Labour Productivity and Real Wage Changes in Canada	14
3.1	Monetary Growth and Interest Rates	19
3.2	Credit Expansion	23
3.3	Credit Expansion by Instrument	24
3.4	Private Non-Financial Business Borrowing	25
3.5	Selected Credit Measures	25
3.6	Supply of Securities and Distribution of Holdings	26
3.7	Loans to Persons	28
3.8	Mortgages	29
3.9	Chartered Bank Assets	30
3.10	Assets of Non-Bank Deposit-Accepting Institutions	31
3.11	Assets of Insurance Companies and Pension Institutions	31
4.1	Sources and Disposition of Personal Income	36
4.2	Percentage Share and Growth of Consumer Expenditure Categories	37
4.3	Estimated Elasticities for Consumer Expenditure	38
4.4	New Housing Indicators	40
4.5	New Business Capital Expenditures (Current dollars)	41
4.6	Sources and Uses of Funds of Large Industrial Corporations	44
4.7	Selected Financial Ratios of Large Industrial Corporations	45
4.8	Illustrative Inflation-Adjusted Personal Savings Rate and Growth Rate of Real Personal Disposable Income	47
5.1	Labour Force Developments	50
5.2	Composition of the Canadian Labour Force (Shares of total labour force)	51
5.3	Regional Growth Rates of Source Population, Participation Rates and the Labour Force	51
5.4	A Comparison of Cumulative Changes in Labour Market Variables in the First Six Months Following Peak Industrial Output	55
5.5	Time Perspective on Work Stoppages	56
6.1	Main Economic Indicators by Sector	61
6.2	Main Economic Indicators by Region	66
7.1	Summary of the Current Account of Canada's Balance of International Payments	72
7.2	The Trade Balance by Commodity Group and Country Group	73
7.3	Canada's Merchandise Exports (Balance of payments basis)	74
7.4	Canada's Merchandise Imports (Balance of payments basis)	75
7.5	Trade Balance in Manufactured End Products	78
7.6	Canada's Balance of International Payments	78
7.7	International Comparison of Unit Labour Costs in Manufacturing	84
8.1	Federal Government Revenue, Expenditure and Net Position (National accounts basis)	87
8.2	Federal Government Revenue (National accounts basis)	88
8.3	Federal Government Expenditure (National accounts basis)	89
8.4	Federal Government Financial Transactions (Extended national accounts presentation)	91
8.5	Outstanding Government of Canada Direct and Guaranteed Securities (Denominated in Canadian dollars)	92

8.6	Non-Bank General Public Holdings of Government of Canada Direct and Guaranteed Securities (Denominated in Canadian dollars)	93
8.7	Provincial-Local Government (Including Hospitals) Revenue, Expenditure and Net Position (National accounts basis)	94
8.8	Provincial-Local Government (Including Hospitals) Revenue (National accounts basis)	95
8.9	Provincial-Local Government (Including Hospitals) Expenditure (National accounts basis)	96
8.10	Provincial-Local Government (Including Hospitals) and Enterprise Borrowing Requirements and Financing (Financial flow accounts basis)	98
8.11	Canada and Quebec Pension Plans Revenue, Expenditure and Net Position (National accounts basis)	99
8.12	Total Government Revenue, Expenditure and Net Position (National accounts basis)	100
8.13	Total Government Revenues (National accounts basis)	101
8.14	Total Government Expenditures (National accounts basis)	101
8.15	Actual and Cyclically-Adjusted Budget Balances, Federal and Consolidated Government Sectors (National accounts basis)	102
9.1	Evolution of Selected OECD Economic Indicators 1974-81	106
9.2	Evolution of Interest Rates and Exchange Rates for the Large OECD Countries	109
9.3	Current Account Balances of OECD Countries	110
9.4	An International Comparison of Central Government Budget Balances as Percentages of Gross Domestic Product or Gross National Product.....	111
9.5	An International Comparison of Total Government Budget Balances as Percentages of Gross Domestic Product or Gross National Product	111

Charts

2.1	Consumer Price Index	9
2.2	Shares of Net National Income at Factor Cost (Annual per cent shares)	15
3.1	Narrowly Defined Money Supply	18
3.2	Selected Short-Term Interest Rates	20
3.3	Selected Long-Term Interest Rates	22
3.4	Yield Curves, Government of Canada Bonds	27
3.5	Financing Patterns of Non-Financial Corporations	32
4.1	Housing Starts	39
4.2	Real Business Inventories and Sales	43
5.1	Participation and Unemployment Rates	52
5.2	Index of Total Employment and Output	54
6.1	Gross Domestic Product in Constant (1971) Prices (Year-over-year per cent change).....	60
6.2	Regional Unemployment Rates	64
7.1	Balance of Payments Current Account.....	76
7.2	Canadian Balance of International Payments	79
7.3	Official Reserves and Exchange Rates	81
7.4	Canada's Competitiveness in the Manufacturing Sector (Competitiveness Index 1970 = 100)..	83
9.1	International Comparison of Real Growth, Unemployment and Productivity in 1980 and 1981	107

1. A General Overview of Developments in 1981

International Developments and Policy Environment

Stagflation, the simultaneous existence of high inflation and slow economic growth, which emerged as the dominant economic reality in the mid-1970s, continued to trouble the major industrialized countries of the western world in 1981. Growth of real gross national product (GNP) in the seven large countries⁽¹⁾ of the Organization for Economic Cooperation and Development (OECD) averaged 1.2 per cent, inflation as measured by the consumer price index (CPI) averaged 10.1 per cent, and the unemployment rate averaged 6.4 per cent in 1981. This compares unfavourably with average real growth of 3.3 per cent, an unemployment rate of 4.8 per cent and an inflation rate of 9.2 per cent during 1973-1979. Average economic performance during 1973-1981 showed unequivocal deterioration compared to the 1966-1972 period, when real growth in the large OECD countries averaged 4.6 per cent, unemployment 3.1 per cent and inflation 4.3 per cent.

Two factors can be identified as being the most important in contributing to this trend deterioration in the economic performance of the OECD countries: sharp increases in energy and other raw material prices and the slowdown in trend productivity growth. The world price of oil more than tripled from U.S. \$3.37 per barrel in 1973 to U.S. \$11.25 per barrel in 1974 and reached U.S. \$35 per barrel in 1981. The all-items commodity price index, as reported by the *Economist*,⁽²⁾ jumped 63 per cent in 1973, 23 per cent in 1974, 21 per cent in 1977, 22 per cent in 1979 and another 18 per cent in 1980. The index advanced almost 400 per cent during the 1971-1980 period before declining somewhat in 1981. Labour productivity, which increased more than 4 per cent a year on average in the seven large OECD countries during 1966-1972 and over 2 per cent during 1973-1979, grew by less than 1 per cent on average in 1980 and 1981.

These supply shocks, in contrast to the traditionally discussed demand shocks, create stagflation by raising prices and reducing output. This combination of effects raises difficult policy questions. Efforts to stimulate output would likely worsen inflation both in the short and long run. Policies designed to restrain the inflationary impacts of this kind of supply shock could lead to temporary declines in real output growth and increases in the unemployment rate. Different countries reacted differently to the emergence of these supply shocks during the 1970s.

The world-wide recession, which began in 1980, continued through 1981. Although the average real growth performance in the OECD countries in 1981 was quite similar to that of 1980, this similarity in average performance masks divergent trends between the North American and other OECD economies. There was a significant slowdown in economic activity in Europe and a temporary speed-up in North America in 1981. Real GNP declined a further 2.0 per cent in the United Kingdom in 1981, after declining 1.8 per cent in 1980, and declined 1.0 per cent in Germany after increasing only modestly in 1980. France, Italy and Japan registered significant slowdowns in their real GNP growth rates in 1981 on top of their already weak records in 1980. Real growth in the United States and Canada increased sharply in 1981, but was still well below historical pre-1975 average rates. In the U.S., real GNP increased 2.0 per cent in 1981 and, in Canada, the increase was 3.0 per cent. Excluding Canada and the U.S., the major OECD countries are estimated to have registered a substantial decline in their average growth rate to 0.6 per cent in 1981 from 1.7 per cent in 1980. Inflation performance in the OECD countries generally improved in 1981 as the average inflation rate for the seven large OECD countries declined to 10.1 per cent from 12.2 per cent in 1980. However, the rate of inflation accelerated significantly in Canada, mainly as a result of substantially higher domestic growth, deeply entrenched inflationary

⁽¹⁾ These countries are: the United States, Japan, Germany, France, the United Kingdom, Italy and Canada.

⁽²⁾ Only food and industrial materials are included in this index. Energy is not.

expectations, and the absorption of large increases in energy prices.

Fiscal and monetary policies became more restrictive in most OECD countries in 1981, contributing to the generally slow real growth. The improvement in inflation performance in 1981 can be linked to a combination of the generally restrictive anti-inflation stance of fiscal and monetary policies, weak growth in commodity and energy prices, and a deceleration in the growth of nominal wages and unit labour costs.

Many of the OECD countries have been pursuing more restrictive fiscal policies since the late 1970s because of concern over the persistence of inflationary pressures and continuing large budget deficits. These large deficits which were initially incurred, partly as a result of, and also to offset, the world-wide economic slowdown in 1975, proved difficult to reverse. This was due to persistent slow growth, which depressed revenues and tended to increase social security expenditure, and to the stubbornness of inflation which has led to sharp increases in interest rates

and thus public debt charges. Efforts of OECD governments to restrain their expenditures and deficits were generally not reversed in response to the oil price shock of 1979-1980 which tended to depress real output. Rather, policy was generally tightened further both to prevent the oil price increase from feeding through into other prices and wages and intensifying inflationary pressures, and to maintain deficit and expenditure positions.

Restrictive monetary policy played a key role in the economies of the OECD countries in 1981 with monetary developments in many of the OECD countries being strongly influenced by the monetary control policy of the U.S. Federal Reserve Board. Growth in the money supply slowed significantly, leading to very large increases in nominal and real interest rates.

Canadian Developments and Policy Environment

Table 1.1 shows the growth of major components of real GNP, which advanced 3.0 per cent in 1981. The strongest element in this advance

Table 1.1
Summary of Real Gross National Expenditure in Canada

	Share of total				Percentage change			
	Average 1971-78	1979	1980	1981	Average 1971-78	1979	1980	1981
	(per cent)							
Consumer expenditure	61.4	62.4	63.0	62.2	5.6	2.0	1.0	1.7
Government expenditure ⁽¹⁾	22.0	20.3	20.2	20.0	3.0	-0.3	-0.5	2.0
Residential construction	5.2	4.2	3.8	3.7	6.0	-7.3	-10.6	1.4
Business investment	13.9	15.1	16.4	17.0	5.0	12.1	8.6	6.9
Non-residential construction	6.2	6.8	7.6	8.0	3.9	13.3	12.4	8.4
Machinery and equipment	7.6	8.3	8.8	9.0	6.0	11.2	5.6	5.6
Inventory change	0.7	1.5	-0.6	0.5	747 ⁽²⁾	1,898 ⁽²⁾	-735 ⁽²⁾	698
Exports	23.1	24.4	24.7	24.3	4.8	2.7	1.0	1.4
Imports	(26.1)	(28.0)	(27.4)	(27.4)	6.6	6.0	-2.2	3.1
Gross national expenditure	100.0	100.0	100.0	100.0	4.6	3.0	0.0	3.0

Note: Numbers may not add exactly due to rounding.

⁽¹⁾ Includes current expenditure on goods and services and capital formation.

⁽²⁾ Denotes amount in millions of 1971 dollars, rather than percentage change.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

was investment, including residential construction, which grew 5.9 per cent. A significant turnaround was recorded by residential investment which, after declining continuously over the last five years, sometimes sharply, registered a modest 1.4-per-cent increase. Non-residential construction witnessed some slowing in growth relative to 1980, and investment in machinery and equipment just maintained its 1980 growth rate. However, at 8.4 and 5.6 per cent respectively, their rates of increase remained significantly above the growth rate of real GNP in 1981. Export growth picked up somewhat, though at a rate of 1.4 per cent it was still quite low. Imports increased 3.1 per cent. Real exports of goods increased more rapidly than imports of goods but, with services included, real exports increased less quickly than imports. Government current expenditure on goods and services and capital formation advanced 2.0 per cent.

One significant feature of developments in 1981 was the fact that growth was limited to the first half of the year. Real GNP advanced 1.0 per cent and 1.4 per cent in the first and second quarters respectively before declining 0.9 per cent in the third quarter and another 0.5 per cent in the fourth quarter.

The Canadian economy, like other industrialized countries of the western world, has suffered from stagflation since the mid-1970s. Real GNP, which grew an average of 5.5 per cent annually during the period 1966-1973, advanced only 2.8 per cent annually during 1974-1981. The unemployment rate, which averaged 5.0 per cent during 1966-1973, increased to 7.3 per cent during the 1974-1981 period, and stood at 7.6 per cent in 1981. At the same time that real growth performance has deteriorated, the rate of inflation has increased sharply. The rate of increase of the CPI averaged 4.3 per cent during the period 1966-1973, increased to 10.9 per cent in 1974, and declined to a low of 7.5 per cent in 1976 before reaching 12.5 per cent in 1981.

The federal government reacted to these developments in the mid-1970s by announcing a comprehensive anti-inflation policy in October 1975. Its major elements were control over the money supply with gradual reductions in its growth rate over time, restraint on the growth of government spending to keep it within the trend

growth of GNP, structural policies to reduce market rigidities, and a temporary three-year program of wage and price controls.

The growth rate of the narrowly-defined money supply has been gradually reduced since 1975 in line with targets specified by the Bank of Canada. Over the course of 1981, interest rates in Canada, like those in other OECD countries, moved over a wide range and established record levels. While these interest rate movements reflected changes in the rate of inflation, they were also importantly influenced by sharp and volatile interest rate movements in the U.S. Although the Bank of Canada does not automatically follow interest rate developments in the U.S., these developments cannot be ignored and they raise a difficult trade-off problem for Canada. If high U.S. rates are not followed, the Canadian dollar depreciates, adding to inflationary pressures. Any move to follow rising U.S. rates, however, can slow economic activity.

In the area of fiscal policy, slow growth in the mid-1970s led the federal government to introduce tax reductions in 1975, 1977 and 1978. These discretionary reductions, along with the automatic effect of slow growth in reducing revenue growth and increasing social welfare payments, and the indexation of the personal tax system, led to large increases in the federal deficit. However, the persistence of inflation and inflationary expectations, and concern over the deficit, led to a reorientation of policy after 1978. Taxes have been increased somewhat and expenditures have been controlled. The federal budget deficit declined 1.4 percentage points in 1981 to 2.3 per cent of GNP.

Outline of This Year's Review

Chapter 2 provides an analysis of Canadian developments in 1981 in areas of prices, wages and productivity. The rate of inflation of the CPI accelerated until July 1981 to reach a year-over-year rate of 13.0 per cent, before decelerating to 12.1 per cent in December. Further progress in slowing the rate of inflation faces several obstacles. These include deeply entrenched inflationary expectations, continuing weakness in productivity growth, large nominal wage gains and the need to absorb large increases in energy

prices. The implicit price index of gross national expenditure (GNE-IPI) increased 10.0 per cent in 1981, somewhat less than the 10.6-per-cent increase in 1980, mainly in response to a weakening in Canada's export prices in international markets. The chapter provides an analysis of the different movements in the CPI and the implicit price index for consumer expenditure (CE-IPI), a major component of the GNE-IPI. Estimates of real wage changes are also obtained and compared with productivity growth. It is concluded that real wage changes have exceeded productivity growth during much of the 1966-1981 period. The gap between real wage and productivity growth increased significantly during the 1974-1977 period and has declined since then. Real wage gains in excess of productivity increases, or losses in real wages that are smaller than declines in productivity, generally add to inflationary pressures. Average non-COLA negotiated wage settlements — those without cost-of-living adjustment clauses — increased in 1981 to 13.4 per cent from 11.1 per cent in 1980.

Chapter 3 presents an overview of developments in financial markets during 1981. Canadian monetary policy was conducted in an environment of growing inflationary pressures in the economy. Early in the year, rapid nominal income growth — largely reflecting cost and price increases — placed upward pressure on interest rates which reached record levels. A little later in the year the Federal Reserve Board in the United States further tightened its monetary policy stance which resulted in sharply higher U.S. interest rates and a marked strengthening of the U.S. dollar on world currency markets. Canadian interest rates did not rise as quickly as those in the U.S. and the external value of the Canadian dollar began to decline as a consequence of the narrowing interest rate differential. At the same time, market sentiment moved away from the Canadian dollar in response to increased domestic takeover activity of foreign-owned assets, the federal-provincial energy dispute over energy pricing and Canada's worsening inflation performance relative to the U.S. Canadian interest rates reached record levels in August in response to downward pressure on the dollar. The easing in interest rate pressures in the U.S. in the second half of the year and a recovery in the external value of the Canadian dollar provided some scope for interest rate reductions in

Canada. By the end of December key short-term interest rates in Canada were more than 650 points below their peak levels. Interest rates varied over a wide range in 1981 and, despite generally higher interest rates, there was substantial growth in the volume of funds raised in Canadian financial markets, although much of the increased activity took place in short-term credit markets as lenders appeared to be less willing to tie up funds for long periods of time. Both financial markets and the financial institutions continued to demonstrate their ability to adapt to high and volatile interest rates in 1981.

The personal, housing and business sectors are examined in Chapter 4. Real consumer spending advanced 1.7 per cent in 1981, an improvement over 1980. However, this increase lagged significantly behind the increase in real disposable income, the major determinant of consumer spending, presumably because of high real interest rates. The personal savings rate jumped to 11.6 per cent in 1981 from 10.1 per cent in 1980. The increase in the growth of personal disposable income was mainly due to large gains in investment income and in labour income, arising from both strong employment growth and a substantial increase in average wages and salaries. The chapter also includes illustrative estimates of savings rates and growth of personal disposable income adjusted for the impact of inflation on the real value of net assets. These adjusted estimates indicate a much smaller increase in the savings rate and a larger decline in the growth rate of personal disposable income during the recent inflationary period. Real residential investment in 1981 increased 1.4 per cent, the first increase since 1976. Housing starts in 1981 totalled 178,000, a 12.2-per-cent increase over 1980. Residential investment was stronger in the first half of 1981 due to strong income growth and pent-up housing demand. Real business investment in both plant and equipment advanced strongly in 1981 at rates higher than the growth rate of real GNP. Despite the downturn in the economy in the second half of 1981, real business investment remained buoyant. More permanent and structural reasons, such as development of new energy sources, partially support this strength. Large increases in business investment, combined with declines in profits, led to substantial increases in business borrowing requirements in 1981.

Chapter 5 reviews developments in the labour market, particularly in relation to the real growth performance of the Canadian economy. The labour force grew 2.7 per cent and employment 2.6 per cent. Consequently, the unemployment rate increased to 7.6 per cent from 7.5 per cent in 1980. Important shifts in the composition of the labour force occurred in 1980 and 1981. These include a decline in the share of youths in the labour force, a further increase in the share of adult females, and a changing regional distribution of labour force growth. The strength of demand and output growth led to strong employment growth in the first half of 1981. This was followed by a sharp reversal of both output and employment in the second half of the year. In both Canada and the U.S. the incidence of labour hoarding in the current recession appears significantly less than in the early stages of previous recessions. The chapter concludes with a discussion of work stoppages in Canada in 1981.

The relatively strong growth in economic activity in the first half of 1981, and the subsequent downturn in the second half, were fairly widespread among the major sectors and the main economic regions of the country as discussed in Chapter 6. For the year as a whole, real output increased in all major sectors except forestry and mining with the strongest growth occurring in fishing, agriculture and construction. Among regions, growth in real output is estimated to have been the strongest in the Prairie region, reflecting both the continuation of the energy boom and sharply increased grain crops. Real growth in Ontario was above the national rate as the province particularly benefitted from the cyclical recovery of manufacturing output in the first half of the year. Real growth for the year as a whole was moderate for Quebec and the Atlantic region, partly as a result of the decreased output in forestry, mining and trade. Slower growth is estimated to have occurred in British Columbia where the relatively important forestry and associated manufacturing activities experienced reduced output because of the decline in exports.

A number of important developments in the Canadian balance of payments in 1981 are discussed in Chapter 7. The current account deficit, which had been in the \$4 to \$5 billion range in the late 1970s, and had fallen to a low of \$1.9 billion in 1980, rose to \$6.6 billion in 1981. This

occurred because of a substantial increase in interest payments to non-residents and a deterioration in Canada's terms of trade. The merchandise trade surplus in volume terms, however, increased in 1981 as the volume of exports of goods increased more than the volume of imports of goods. The long-term capital account showed a \$1.3 billion surplus, virtually unchanged from 1980. There was a wave of takeovers by Canadians of foreign firms both in Canada and abroad. Sales of long-term securities in foreign markets increased to a record level. Recorded short-term capital inflows also increased substantially, facilitated by a widening of interest rate differentials in Canada's favour. The Canadian dollar was generally weak during the first half of the year and came under heavy pressure in late July and early August. However, it gained strength after mid-summer as economic growth in Canada slowed and the energy dispute was resolved.

Chapter 8 examines developments in the government sector during 1981. The combined national accounts deficit of the total government sector (the federal government, the provincial-local-hospital sector and the Canada and Quebec Pension Plans) decreased \$3.8 billion to \$2.2 billion in 1981. While the surpluses of the provincial-local-hospital sector and the Canada and Quebec Pension Plans increased slightly, the deficit of the federal government fell by \$3.2 billion to \$7.5 billion in 1981. Total government revenues increased 19.6 per cent and federal revenues grew 27.8 per cent. Total government expenditures grew 15.5 per cent and federal expenditures advanced 17.6 per cent in 1981. Federal borrowing requirements declined \$1.8 billion to \$8.6 billion in 1981. In the first three quarters of 1981 borrowing requirements of the provincial-local-hospital sector increased more than \$2 billion to \$9.8 billion. The federal government carried out a relatively large debt program which increased outstanding Government of Canada direct and guaranteed securities from \$77.1 billion at the end of 1980 to \$89.2 billion at the end of 1981. Of the total new funds raised, Canada Savings Bonds (CSBs) accounted for \$8.1 billion.

Chapter 9 provides international comparisons of economic performance in a number of areas of interest. In 1981, the Canadian economy grew at a much stronger pace than the economies of the other large OECD countries. Coinciding with this

were the much smaller increase in the Canadian unemployment rate and a much larger improvement in the growth of productivity. The rate of inflation increased relatively more in Canada than in the other large OECD countries mainly due to substantially higher growth in Canada, deeply entrenched inflationary expectations and the absorption of large energy price increases. Interest rates in Canada and other OECD countries

reached record levels in 1981 and fluctuated widely during the course of the year. The Canadian dollar appreciated modestly on average against its major trading partners in 1981. Budget deficits, as percentages of GNP, at both the federal and total levels of government, declined relatively more in Canada than in other large OECD countries.

2. Price, Wage and Productivity Developments

An assessment of the various price series indicates that the run-up in inflation through the middle of 1981 has been arrested and that some general deceleration in inflation has taken place. As is usually the case at turning points, there was the normal delay in confirmation of the change and in general recognition of it. Despite the slowing in the latter part of the year, most price series show a more rapid rate of increase for 1981 as a whole than for 1980. While the various price series revealed some slowing in the second half of 1981, the major wage series continued to indicate larger rates of increase.

The year-over-year rate of increase in the CPI peaked at 13.0 per cent in July and by December had slowed to 12.1 per cent. The greatest part of this slowing was due to moderating food prices as the year-over-year increase for food prices moved down from 12.9 to 5.6 per cent over this period. The rates of increase for the price of energy and of non-food goods also began to slow. No slowing in the rate of increase in service prices had occurred by year-end, however. On the wage side, the rate of increase negotiated in large non-COLA contracts — those without cost-of-living adjustment clauses — averaged 14.1 per cent in the second half of 1981 compared to 12.9 per cent in the first half. Average weekly wages and salaries of the industrial composite were up 12.1 per cent in both the first and second halves of 1981.

Further progress in slowing the rate of inflation faces several obstacles. These include the transmission of cost pressures from the recent run-up in inflation, deeply entrenched inflationary expectations, continuing weakness in productivity growth, large nominal wage gains and the need to absorb large increases in energy prices. Moreover, the continued acceleration of wage gains despite the slowing in inflation could lead to a reversal of the downward trend in price increases.

Price Developments

In the 1970s there were three distinct inflationary periods. Inflation in the early 1970s could be

classified as traditional demand inflation, as the industrialized economies of the western world generally pursued full-employment demand management policies. Inflation in the mid-1970s had a large supply-shock component. Large relative price increases for energy, food and raw materials resulting from international events and a slowdown in productivity growth drove up production costs. Current inflation is strongly influenced by the persistence of inflationary expectations which affect the behaviour of both employers and employees with respect to wages, and thus costs and prices over a wide range of the economy. This self-reinforcing process of inflationary expectations, inflationary behaviour and inflationary results produces an inflationary momentum which takes time to break when aggregate demand is restrained.

The CPI rate of inflation advanced 2.3 percentage points to 12.5 per cent in 1981 as indicated in Table 2.1. One of the principal contributing factors was the need to absorb higher domestic energy prices. During the 1970s Canadian energy price increases were quite moderate relative to international levels. The international oil price shocks affected domestic prices primarily through rising import prices of other products. However, domestic crude oil prices increased quite rapidly in 1981 as a result of Alberta production cutbacks, which led to increases in petroleum compensation charges to finance higher import subsidy costs, and of the September 1, 1981 energy pricing agreement between the governments of Canada and Alberta. The CPI for energy increased 30.1 per cent in 1981 compared to 16.0 per cent in 1980. These large energy price increases directly contribute to the high rate of inflation of the CPI since energy is an important component of the CPI basket of goods and services.

The CPI for food increased 11.4 per cent in 1981. The strong rise occurred primarily in the first three quarters. Among the major factors contributing to the increase were reduced supplies of fresh vegetables and fruit, rising grain prices and general inflationary pressures such as rising labour and energy costs. The depreciation of the

Table 2.1

Recent Inflation in Canada and Related Factors

	1977	1978	1979	1980	1981
	(percentage change)				
Consumer prices					
Food	8.3	15.5	13.2	10.7	11.4
Energy	12.2	9.3	9.8	16.0	30.1
Services	9.0	6.8	7.0	8.2	11.5
Total CPI	8.0	8.9	9.1	10.2	12.5
Total excluding food and energy	7.4	6.1	7.7	9.4	10.9
GNE implicit prices					
Consumer	7.4	7.4	9.2	10.6	11.1
Government	7.5	7.3	9.7	8.8	11.8
Housing	10.9	9.5	12.1	10.0	14.6
Business investment	7.7	8.2	10.4	9.8	10.5
Domestic demand	8.1	7.5	9.4	10.4	11.1
Imports	12.2	13.5	14.7	15.6	11.2
Domestic demand less imports	6.7	5.2	7.0	8.3	11.1
Exports	7.8	8.6	19.2	15.9	8.1
Total GNE	7.1	6.4	10.4	10.6	10.0
Average weekly wages	9.6	6.2	8.6	10.1	12.1
Non-COLA negotiated wage settlements	7.9	7.1	8.7	11.1	13.4
Industry selling prices	7.9	9.2	14.5	13.5	10.1
Raw material prices	n.a.	14.9	17.8	14.5	19.2
Total excluding fuels	n.a.	12.8	21.3	11.8	0.7
World commodity prices (excluding energy)					
Food	31.3	4.1	18.5	23.4	- 12.3
Metals	0.9	4.4	42.2	6.5	- 13.0
Fibres	1.0	3.5	14.9	15.4	- 6.3
Total	21.4	5.1	21.9	17.8	- 11.5
	(dollars)				
Crude petroleum prices					
World (\$/bbl)	15.16	16.28	22.66	36.99	36.03
F.O.B. Edmonton (\$/bbl)	10.80	12.88	13.76	16.11	19.38

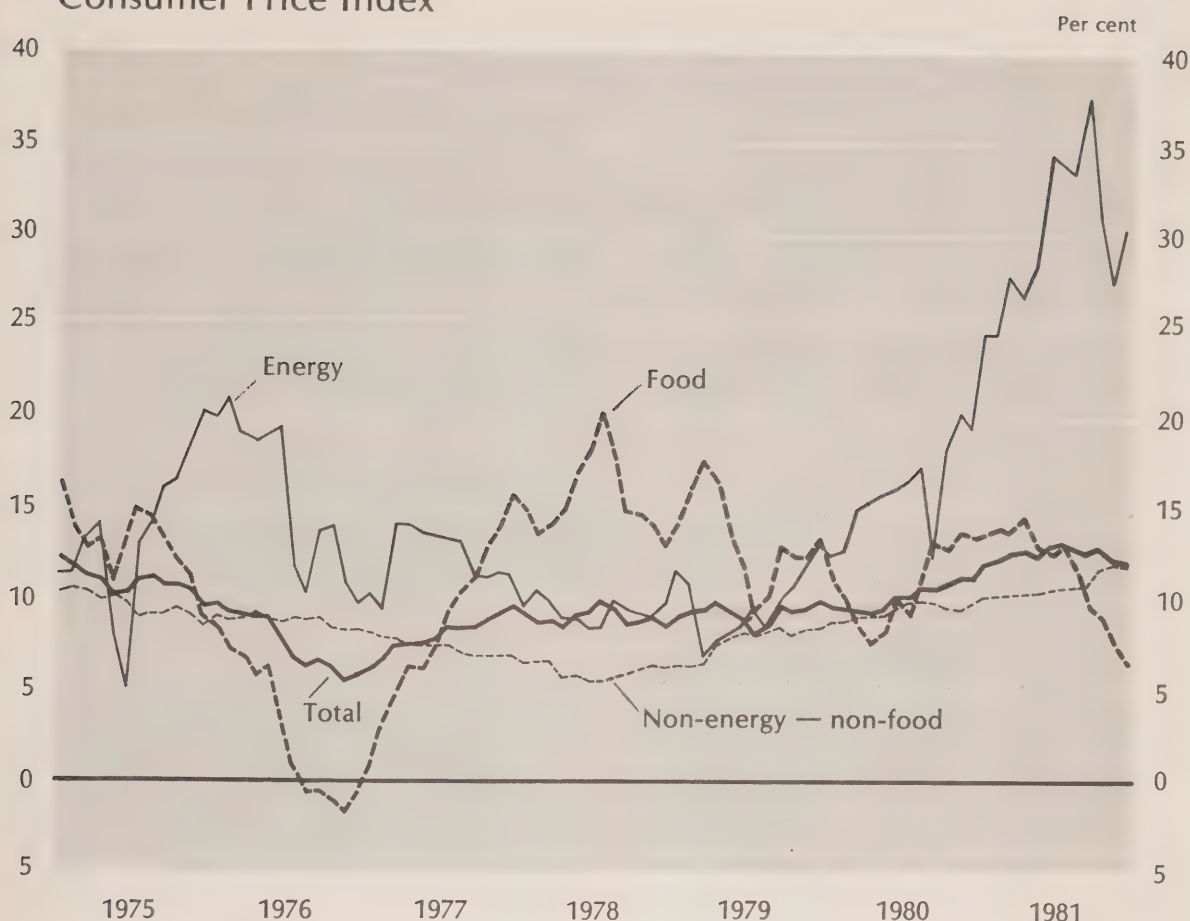
Source: Statistics Canada, *Consumer Prices and Price Indexes*, quarterly, cat. 62-010; Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; Statistics Canada, *Employment Earnings and Hours*, monthly, cat. 72-002; Labour Canada, *Labour Data*, quarterly; Statistics Canada, *Industry Price Indexes*, monthly, cat. 62-011; and *The Economist*, weekly.

Canadian dollar relative to the U.S. dollar also exerted upward pressure on domestic food prices through higher import prices for food items from the U.S. The rate of growth of food prices fell sig-

nificantly in the fourth quarter largely as a result of increased price competition among major food outlets, an increase in total meat supplies and an improved exchange rate for the Canadian dollar.

Chart 2.1

Consumer Price Index



Source: Statistics Canada, *The Consumer Price Index*, monthly, cat. 62-001.

To assess the underlying course of inflation it is important to separate the temporary inflation forces caused by some periodic supply shocks from the more long-lasting trends in production costs. The rate of inflation of the CPI excluding food and energy, sometimes used as a measure of the underlying rate of inflation, increased for the third consecutive year to 10.9 per cent in 1981 from 9.4 per cent in 1980 and 7.7 per cent in 1979. This deterioration in the underlying rate of inflation occurred because of deeply entrenched inflationary expectations, the transmission of cost pressures from the recent run-up in inflation, continuing weakness in productivity

growth, an acceleration in the rate of increase of nominal wage costs, relatively strong real growth and the indirect impact of energy price increases. By raising input costs, large energy price increases also led to an acceleration in the cost of production in Canadian industries and operating costs of households, thus indirectly increasing prices of other commodities as reflected in the CPI.

The average price paid by Canadians in 1981 for goods and services, whether domestically or externally produced — the implicit price index for domestic demand — increased 11.1 per cent in

1981 compared to 10.4 per cent in 1980, as shown in Table 2.1. This increase was a weighted average of the 11.1-per-cent advance in domestic prices and a 11.2-per-cent increase in the price of imported goods and services. When export prices, which rose 8.1 per cent, are included in the index and import prices are excluded, the implicit price index for gross national expenditure (GNE-IPI) is obtained. This index measures the trend in prices for all goods and services produced within Canada and purchased by consumers, business, governments and foreigners. The increase in the GNE-IPI decelerated somewhat from 10.6 per cent in 1980 to 10.0 per cent in 1981, reflecting the impact of the slower growth in export prices due to weak international markets.

Since the Canadian economy is highly dependent upon international trade, it is useful to draw a distinction between the relative roles of domestic and international forces in the inflationary process. While not a fully satisfactory indicator, the national accounts implicit price index for "total domestic demand less imports" provides some indication of the strong domestic component of inflation. This index increased from 8.3 per cent in 1980 to 11.1 per cent in 1981. Another good indicator of the domestic inflationary process is the rate of increase in the price of services, since the import content of most services is quite low. The services part of the CPI increased from 8.2 per cent in 1980 to 11.5 per cent in 1981.

The industry selling price index (ISPI) is a leading indicator of the underlying inflationary pressures in the economy. It is a base-year-weighted index that shows movements in both the costs of products sold (f.o.b. plant) by one manufacturer to another and the prices paid by distributors (including exporters) for finished manufactured commodities. The rate of growth of this index continued to fall in 1981, reaching 10.1 per cent after peaking at 14.5 per cent in 1979 (Table 2.1). The main components leading to this slowdown were primary metals and woods.

World commodity and raw material prices excluding fuels softened substantially in 1981 as world demand weakened in response to the slowdown in the level of activity. Total world com-

modity prices fell 11.5 per cent while raw material prices excluding fuels increased only 0.7 per cent (Table 2.1).

Labour Costs

Despite relatively weak labour market conditions compared to historical levels as indicated by the unemployment rate, nominal labour costs have continued to build up in recent years. Although real wages have declined in more recent years (Table 2.5), the rate of growth of nominal wages continued to advance as workers apparently attempted to maintain real wages in periods of rising prices and to catch up for previous real wage declines.

The average annual increase provided by new wage settlements without a cost of living clause, a leading indicator of wage developments compiled by Labour Canada, has steadily risen from 7.1 per cent in 1978 to 13.4 per cent in 1981 (Table 2.1).

Unit labour costs, which are closely associated with output prices, reflect productivity performance as well as wage payments. After peaking at 15.8 per cent in 1974, the rate of increase in unit labour costs declined gradually to 5.2 per cent in 1978, reflecting in part the impact of the government's wage and price controls and a weakening of demand pressures in the labour market (Table 2.2). Since 1978 the rate of increase of unit labour costs has risen sharply. It rose to 11.8 per cent in 1980 but moderated somewhat to 10.5 per cent in 1981. These large increases reflect accelerating nominal wage increases and poor productivity performance in recent years.

Since 1972 the rate of growth of nominal wages in Canada has generally exceeded that in the U.S. as indicated in Table 2.2. In the U.S. the average annual increase provided by new wage settlements without a cost of living clause rose from 7.1 per cent in 1978 to 10.3 per cent in 1980 and then fell to 9.1 per cent in 1981. The gap between wage settlements in Canada and the U.S. thus widened sharply in 1981, implying that Canadian industry has lost some of the cost competitiveness it gained relative to the U.S. as a result of the large depreciation of the Canadian dollar in the late 1970s.

Table 2.2

Wage and Price Inflation in Canada and the U.S.

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
	(percentage change)									
Canada										
CPI	4.8	7.6	10.9	10.8	7.5	8.0	8.9	9.1	10.2	12.5
Non-COLA negotiated settlements	8.8	10.9	14.7	19.2	10.9	7.9	7.1	8.7	11.1	13.4
Unit labour costs	5.1	7.8	15.8	15.2	9.6	8.0	5.2	8.5	11.8	10.5
United States										
CPI	3.3	6.2	11.0	9.1	5.7	6.5	7.6	11.3	13.5	10.3
Non-COLA negotiated settlements	6.8	5.5	8.8	8.5	7.3	6.9	7.1	8.0	10.3	9.1
Unit labour costs	5.2	3.0	9.3	7.1	6.6	5.0	7.1	10.0	9.1	8.3

Source: Statistics Canada, *Consumer Price Index*, monthly, cat. 62-001; Labour Canada, *Labour Data*, quarterly; Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; U.S. Department of Labour, *U.S. Consumer Price Index*, monthly; and U.S. Department of Labour, *Employment and Earnings*, monthly.

A number of factors contributed to the divergence of wage settlements between the two countries, including the difference in inflation performance and relatively more rapid real growth in Canada than in the U.S. Canada's annual CPI rate of inflation at 12.5 per cent in 1981 was much higher than the U.S. rate at 10.3 per cent. The continuous increase in the inflation rate in Canada since 1976 has entrenched anticipations of future increases which build momentum into wage inflation. In comparison, the U.S. inflation rate fell significantly in 1981. Real GNP in Canada advanced 3.0 per cent in 1981 compared to 2.0 per cent in the U.S. The unemployment rate increased only 0.1 of a percentage point in Canada compared to 0.5 of a percentage point in the U.S. in 1981. Higher real growth in Canada avoided a build-up of slack in the Canadian labour market of the magnitude that occurred in the U.S.

Relative Prices

Changes in relative prices provide the necessary signal for an efficient allocation of resources and thus have important implications for both individual markets and the economy as a whole. Movements in relative prices may reflect changes in the relationship between demand and supply in

competitive individual markets. Relative prices may also be importantly affected directly by government-determined price changes of certain commodities, such as energy and certain food items in Canada.

Table 2.3 provides estimates of relative price changes over various parts of the 1970-1981 period. This is done by calculating ratios of compound growth rates of individual commodity prices to the compound growth rate of the CPI. Over the whole period 1970-1981, the relative price of food increased 20 per cent more than the increase in the CPI, and the price of energy 40 per cent more. The percentage increase in the price of transportation was the same as that of the CPI over the 1970-1981 period. The price of clothing and of recreation, education and reading increased 30 per cent less, of tobacco and alcohol 20 per cent less, and of housing and health and personal care 10 per cent less, than the increase in the CPI.

The Consumer Price Index and Relative Price Changes

One of the most commonly used measures of the cost of living, the CPI, measures changes through

Table 2.3
Relative Price Changes⁽¹⁾

	1970-73	1974-78	1979-81	1970-81
	(ratios)			
Food	1.3	1.2	1.1	1.2
Energy	0.9	1.4	1.7	1.4
Housing	0.8	1.0	0.9	0.9
Clothing	0.5	0.7	0.9	0.7
Transportation	0.5	1.0	1.3	1.0
Health and personal care	0.6	0.9	0.9	0.9
Recreation, education and reading	0.6	0.7	0.8	0.7
Tobacco and alcohol	0.4	0.9	1.0	0.8

(1) Compound growth rate of prices in each sector expressed as ratio of the compound growth rate of the CPI.

Source: Statistics Canada, *Consumer Price Index*, monthly, cat. 62-001; and Department of Finance.

time in the cost of purchasing a fixed "basket" of goods and services. However, this kind of an index yields an upward biased estimate of the cost of living and therefore the rate of inflation because, in keeping the same base period basket of goods and services as weights, it does not take into account the substitution away from more expensive to relatively cheaper commodities induced by relative price changes. In general, the greater the degree of substitution among commodities and the greater the amount of the relative price change, the greater will be the bias in a fixed-weighted index such as the CPI.

Statistics Canada periodically updates the expenditure weights in the fixed basket of goods and services to reflect changing consumption patterns. It is now in the process of changing over to a 1978 basket of goods and services, replacing the 1974 basket. Table 2.4 provides a comparison of movements in the CPI for the 1974-1978 period using the 1967 and 1974 baskets, and for the 1978-1981 period using the 1974 and 1978 baskets.⁽¹⁾

The effect of updating the weights in the CPI is to reduce the increase in the CPI by 3.0 per cent over the 1974-1978 period and by 0.4 per cent

from 1978 to 1981. The larger effect of updating the weights in the CPI during the 1974-1978 period, relative to 1978-1981, is attributable in part to the length of the time lag in successive CPI updating. There was a seven-year lag in the 1974 updating of weights relative to 1967, and only a four-year lag in the 1978 updating relative to 1974. It is normally the case that the longer the lag in updating weights, the greater the change in weights due to relative price changes.

Productivity and Real Wages

Canadian labour productivity performance has deteriorated sharply since 1973. After increasing at an average annual rate of 2.5 per cent between 1966 and 1973, productivity, defined as real GNP per employed person, declined 0.1 per cent a year on average from 1974 to 1981 as indicated in Table 2.5. Estimated as real gross domestic product (GDP) per employed person, productivity growth slowed down from 2.5 per cent to 0.1 per cent over the same period. This slowdown in productivity, to the extent it has not been matched by a decline in nominal wage growth, has increased Canadian unit labour costs and contributed to inflationary pressures.

(1) The first set of estimates is available from Statistics Canada. The second set of estimates, using 1978 weights, has been prepared by the Department of Finance as Statistics Canada's estimates are not yet available.

Table 2.4

A Comparison of Movements in the Consumer Price Index Using Different Expenditure Weights

Weights

	1967	1974	1978
All items	100.0	100.0	100.0
Food	24.8	21.5	21.1
Housing	31.4	34.1	35.4
Clothing	11.3	10.1	9.6
Transportation	15.2	15.8	16.2
Health and personal care	4.5	4.0	3.7
Recreation, education and reading	6.9	8.3	8.6
Tobacco and alcohol	6.0	6.2	5.4

Consumer Price Index

	1967 Basket ⁽¹⁾	1974 Basket ⁽¹⁾		1974 Basket ⁽²⁾	1978 Basket ⁽²⁾
1974	100.0	100.0	1978	100.0	100.0
1975	110.8	110.4	1979	109.1	109.0
1976	119.2	118.9	1980	120.2	120.1
1977	128.7	127.7	1981	135.4	135.0
1978	138.7 ⁽³⁾	135.7 ⁽³⁾			

⁽¹⁾ Official CPI series rebased to a 1974 time base.

⁽²⁾ Official CPI series rebased to a 1978 time base.

⁽³⁾ An average of the first nine months in 1978.

Source: Statistics Canada, *The Consumer Price Index*, monthly, cat. 62-546; Statistics Canada, *Consumer Prices and Price Indexes*, quarterly, cat. 62-010; and Department of Finance.

Causes of the slowdown in productivity growth are complex and interdependent. While empirical analysis has generally not been successful in fully identifying these causes, a number of important factors have been suggested as potentially contributing to the productivity slowdown in Canada.⁽²⁾ These include: a decline in the growth of the stock of capital relative to labour; large declines in productivity growth in certain sectors

of the Canadian economy, particularly the oil and gas sector; the gradual shifting of labour from sectors of the economy having higher measured productivity to services where productivity is hard to measure and is regarded as having a lower-than-average rate of growth; the increasing numbers of women and youths entering the labour force during the 1970s as a result of changes in attitudes and the post-war baby boom; and the

⁽²⁾ For details on the subject, the interested reader is referred to a Department of Finance study "Recent Changes in Patterns of Productivity Growth in Canada", April 1980.

Table 2.5

A Comparison of Labour Productivity and Real Wage Changes in Canada

	Real wage				Productivity	
	Using weekly wages and salaries and the CE-IPI	Using weekly wages and salaries and the CPI	Using labour income and the CE-IPI	Using labour income and the CPI	Using GNP	Using GDP
	(percentage change)					
1966	2.5	2.1	2.1	1.7	2.6	2.4
1967	3.3	3.1	7.3	7.1	0.4	0.7
1968	2.8	2.9	2.7	2.8	4.0	3.6
1969	3.3	2.6	4.8	4.1	2.1	2.8
1970	4.0	4.3	3.7	4.0	1.4	1.3
1971	6.2	5.7	5.4	4.9	4.5	3.4
1972	4.4	3.6	4.5	3.7	3.1	2.8
1973	0.2	-0.1	3.1	2.8	-2.4	2.7
1974	-0.3	0.1	3.9	4.3	-0.5	0.4
1975	3.7	3.4	4.0	3.7	-0.5	-0.8
1976	4.8	4.7	5.9	5.8	3.4	2.8
1977	2.2	1.6	0.9	0.3	0.3	1.2
1978	-1.2	-2.7	-1.8	-3.3	0.3	0.0
1979	-0.6	-0.5	-1.7	-1.6	-0.9	-0.3
1980	-0.5	-0.1	-1.7	-1.3	-2.7	-2.3
1981	1.0	-0.4	-0.2	-1.6	0.4	-0.1
Averages						
1966-73	3.3	3.0	4.2	3.9	2.5	2.5
1974-77	2.6	2.4	3.7	3.5	0.6	0.9
1978-81	-0.3	-1.0	-1.3	-2.0	-0.7	-0.7
1966-81	2.3	1.9	2.7	2.3	1.2	1.3
1974-81	1.2	0.8	1.2	0.8	-0.1	0.1

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; *Employment, Earnings and Hours*, monthly, cat. 72-002; *Gross Domestic Product by Industry*, monthly, cat. 61-005; *Consumer Price Index*, monthly, cat. 62-001; and Department of Finance.

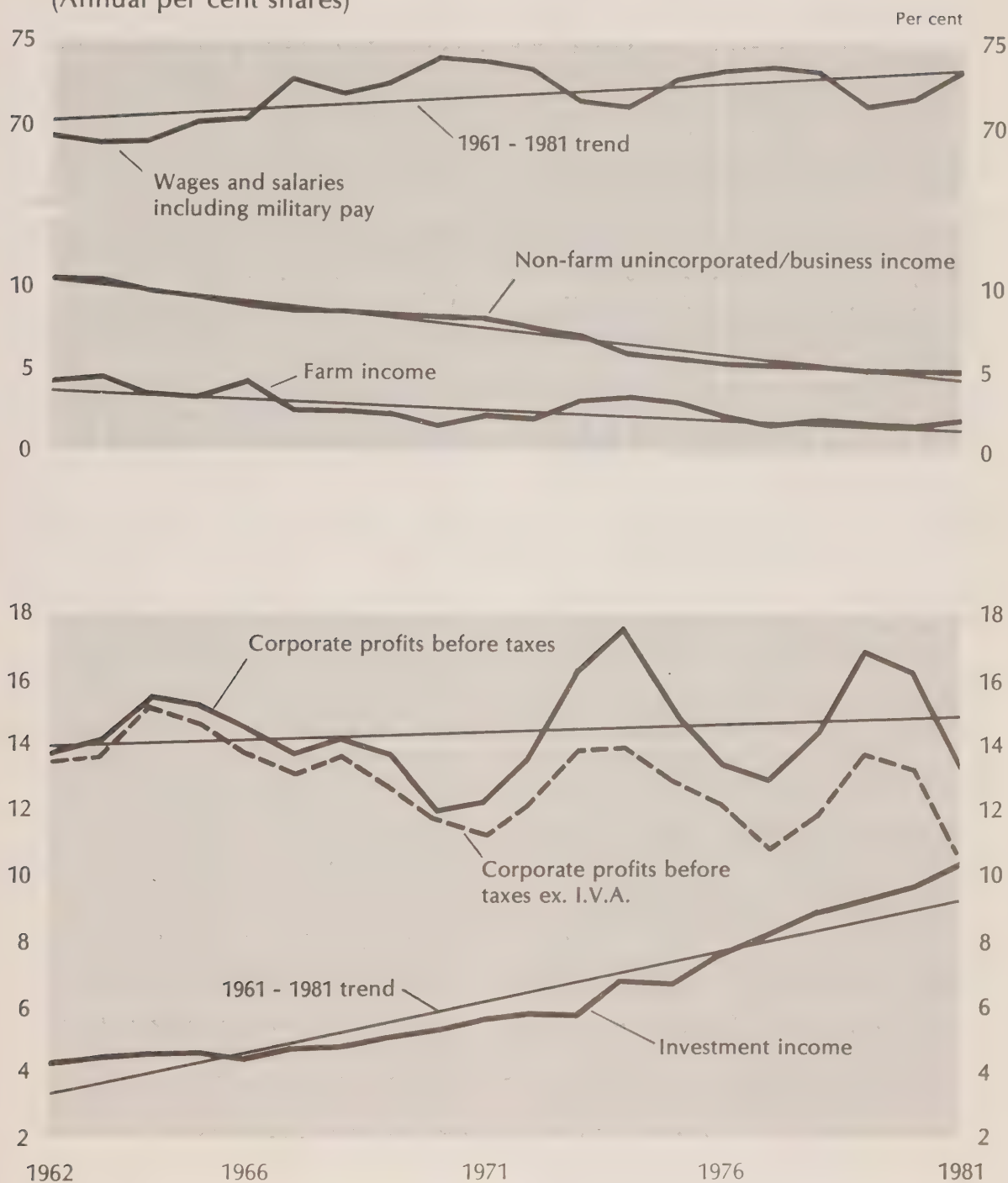
relative change in energy prices resulting from international supply shocks of the 1970s with its consequent effect on utilized capital stock. Some have argued that relative price changes in general and the magnitude and the variability of inflation are also possible causes of the decline in productivity.

The relationship between productivity increases and real wage gains is of central importance in understanding developments in the economy, and particularly inflationary pressures. However,

precise analysis of this relationship encounters a number of problems. Accurate estimates of productivity are hard to obtain. For example, there is no standard method of estimating output, and therefore productivity, of many service industries. Different definitions of productivity and real wages are available and can produce different results. To avoid basing conclusions on specific measures of real wage and productivity changes, two estimates of productivity and four estimates of real wage change are presented here. Productivity is calculated both as real GNP and real

Chart 2.2.

Shares of Net National Income at Factor Cost (Annual per cent shares)



Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

GDP per employed person. Real wage estimates are based on different combinations of two measures of wages — average weekly wages and salaries, and labour income per employed person — and two measures of inflation, the rate of change of the implicit price index for consumer expenditure (CE-IPI)⁽³⁾ and the CPI. Problems exist with the wage series as well as the productivity measures. For example, whereas real GNP and real GDP include all output produced in Canada, the measure of average weekly wages and salaries does not cover the total labour force as it excludes employee earnings in agriculture, fishing and trapping, education, health and welfare services, religious organizations, public administration and defence. On the other hand, while the labour-income-per-employee wage measure covers all sectors and includes all sources of labour income in addition to wages, it is based on income and employment estimates which are not mutually consistent. Analysis of the relationship between productivity and real wage changes would also ideally take account of terms-of-trade changes. This has not been attempted here. Keeping these caveats in mind, however, one can still draw useful information from a comparison of productivity and real wage changes over time as presented in Table 2.5.

On average over the whole period 1966-1981 or the subperiods 1966-1973 and 1974-1981, real wage changes, however measured, have exceeded the rate of growth of both measures of productivity in Canada. The difference between real wage growth and productivity gains widened significantly during the period 1974-1977, which partly explains the acceleration and persistence of inflationary pressures during this and subsequent periods. In recent years there have been large differences between changes in labour productivity and real wage rates in individual years. For example, real wage rates declined substantially in 1978 when productivity changed very little. The relationship was sharply reversed in 1980 as real wage rates declined somewhat but productivity declined substantially in excess of 2 per

cent. However, the excess of real wage increases over productivity growth declined during the 1978-1981 period compared to the 1974-1977 period. Given declining productivity in the last few years, the importance of real wage losses cannot be over-emphasized. Any real wage gains in excess of productivity increases, or losses in real wages that are smaller than declines in productivity, can be expected to add to inflationary pressures.

Shares of Net National Income

In 1981, the share of wages, salaries and supplementary labour income in net national income (NNI) showed the first increase since 1976, rising to 73.0 per cent from an average of 71.6 per cent in 1979 and 1980. While employment growth moderated, relatively strong wage growth helped put upward pressure on this share last year (Chart 2.2). The corporate profit share of NNI fell below its trend value in 1981 to 13.4 per cent. In general, the share of profits usually rises during an expansion and falls during a slowdown. A declining cost-price mark-up resulting from higher production costs and falling export prices was responsible for the decline in this share. The interest and miscellaneous investment income share continued to rise in 1981, reflecting increased interest rates and a sustained high personal savings rate. The rapid growth of natural resource royalties accruing to provincial governments was largely responsible for increasing its share of NNI above its trend since 1976.

Non-farm unincorporated business income as a share of NNI increased to 5.0 per cent in 1981. In general, fluctuations of this share have been slight. The net farm income's share increased in 1981 as the increase in crop receipts more than offset the increase in operating costs. Over the past few decades, increased productivity and slow growth of demand have resulted in a shift out of agriculture and a downward trend in this share.

⁽³⁾ The CE-IPI is current-weighted, which means that the basket of goods and services being measured changes each period to reflect altered purchasing patterns. For reasons given in the previous section, the CE-IPI more accurately reflects the true changes in consumer prices.

3. Financial Developments

The basic thrust of the Bank of Canada's monetary policy in recent years has been to counter inflation. Over the past six years, the target for the rate of growth of currency and chartered bank demand deposits — the narrowly-defined money supply, M1 — has been reduced gradually as the Bank of Canada has endeavoured to minimize the disruption to the economy of pursuing an anti-inflationary policy. The Bank of Canada has successfully used its ability to influence short-term interest rates to keep the trend rate of monetary growth generally within the target ranges.

Control of the growth of monetary aggregates to ease inflationary pressures can be approached in several ways. In the United States, the monetary authorities have been attempting for some time to control the growth of the money supply, although the method of control has undergone some changes. In 1970, the Federal Reserve Board in the U.S. instituted a money supply target, setting the federal funds rate at a level that elicited the desired growth. This policy was followed for several years but in late 1979 a worsening inflation situation, along with excessive growth of the monetary aggregates, prompted the Federal Reserve Board to review its approach in an effort to gain better control over the growth of money and credit. A key element of the new procedures is to place more emphasis on controlling the supply of reserves available to the banking system to keep monetary growth within the target ranges.

While the new procedures have facilitated some of the operations of the Federal Reserve Board, it is also evident that U.S. interest rates have become considerably more volatile and record high levels have been attained. Given the close ties between the Canadian and U.S. economies and financial markets, volatile interest rate movements in the U.S. have put pressure on the external value of the Canadian dollar and on interest rates in Canada.

The fact that interest rates in Canada have reached record levels since 1979 is not related

solely to the change in operating procedures of the Federal Reserve Board and high U.S. interest rates. Another important consideration has been rising inflation and inflationary expectations in Canada. As a result of increasing inflationary pressures, lenders have been demanding higher rates of return which means that borrowers have been required to pay more for funds.

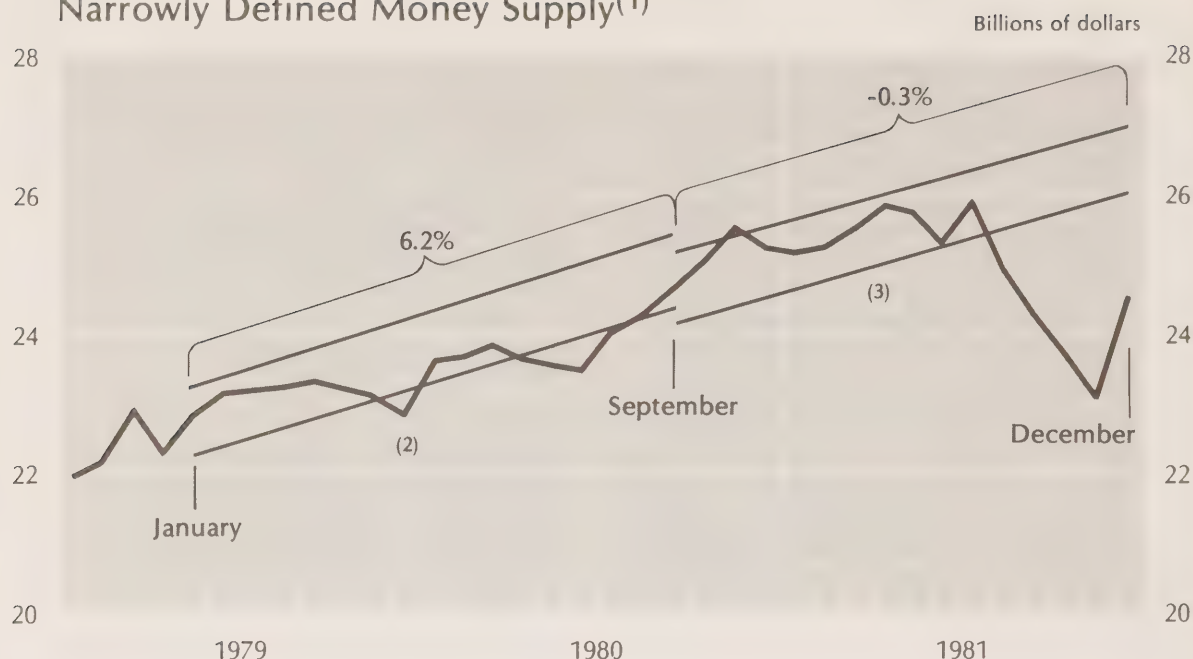
Monetary Policy in 1981

Monetary policy in Canada during 1981 was dominated by the objective of easing inflationary pressures in the economy. At the same time, the Bank of Canada responded to temporary downward pressures on the external value of the dollar to moderate the inflationary impacts of an exchange rate depreciation and to avoid excessive exchange rate movements. Continuing its policy of gradually reducing the rate of monetary growth, the Bank of Canada announced on February 13, 1981 a new target range of 4 to 8 per cent for the annual rate of growth of M1, measured from the average level for the three-month period centered on September 1980.

In setting the new target range for M1 the Bank of Canada made the following observations. First, the reduction in the limits of the target range for M1 was in line with the Bank's longer-term policy of moderating over time the rate of monetary expansion in Canada in order to achieve a reduction in the rate of inflation. Second, the economy was expanding at a fairly rapid pace but it was also evident that the growth of spending was inflated by rapidly rising prices of goods and services. It was noted that it remained the intention of the Bank to ensure sufficient monetary expansion to accommodate as high a level of employment and output in Canada as would prove to be consistent with a clearly moderating trend in the rate of inflation. Finally, it was believed that the economy's requirements for cash balances had declined because of some changes in banking practices. Perhaps the most important of these changes was the greater use of daily interest savings accounts which has the effect of economizing on the use of M1 balances.

Chart 3.1

Narrowly Defined Money Supply⁽¹⁾



(1) Currency outside banks plus demand deposits (M1).

(2)(3) The parallel bands are two per cent on either side of a trend line depicting a 7-per-cent and a 6-per-cent annual increase, respectively.

Source: Bank of Canada, *Review*, monthly.

Short-term interest rates changed very little over the first four months of the year and, because of easing in interest rates in the United States, a sizeable differential opened up between Canadian and U.S. short-term interest rates. Despite the high level of interest rates, M1, which had been declining since November 1980, began to grow rather strongly in March and by the end of April it had again reached the upper bound of the new target range. Since the economy was also expanding at a rapid pace, it was apparent that the strength of M1 in the first quarter was related to a concomitant sharp rise in nominal GNP.

Beginning early in the second quarter of 1981, the Federal Reserve Board responded to very rapid growth of the U.S. money supply leading to

a much higher level of interest rates in the U.S. and a marked strengthening of the U.S. dollar on world currency markets. Although interest rates in Canada were already higher than those in the U.S., the fact that there was a sharp narrowing and then an elimination of the over 300-basis-point interest rate differential on short-term paper between the two countries contributed to considerable downward pressure on the external value of the Canadian dollar. Several other major currencies on world financial markets also dropped relative to the U.S. dollar as domestic interest rates in most industrialized countries did not keep pace with those in the U.S. However, the situation in Canada, particularly in the third quarter, was exacerbated by a number of factors including heightened domestic takeover activity of foreign-owned firms, the dispute over energy pricing, and a view in the foreign exchange markets

that the prospects for improvement in inflation performance were better in the U.S. than in Canada.

The move to higher interest rates in North America in the spring soon began to have an impact on the growth of the money supply in Canada. After reaching the upper bound of the target range in April, M1 fell sharply over the succeeding three months to a level slightly below the lower end of the target range in June. The contraction of M1 beginning in the second quarter (Table 3.1) was much greater than would have been expected on the basis of the historical relationship among the money supply, GNP and interest rates.

Over the summer months, the money supply rose for a short time but this was due to the effects of the postal strike. However, with the resumption of postal service in August, M1 began to fall again and continued to decline until October when it reached its lowest level in over two years at \$1.8 billion below the lower target limit. M1 increased sharply in the final weeks of the year but not sufficiently to reach the lower bound of the target range.

Short-Term Interest Rates

Short-term interest rates in Canada attained very high levels in late 1980 and although interest rate pressures eased slightly in the first four months of 1981 they nonetheless remained at quite high levels. In late spring a concern over growing inflationary pressures as well as significant downward pressure on the external value of the Canadian dollar resulted in further upward pressure on interest rates in Canada. In mid-May the Bank Rate was set at 19.06 per cent, up almost 200 basis points from its average level in the first four months of the year. Other short-term interest rates in Canada moved correspondingly, resulting in a 100-basis-point differential between Canadian and U.S. short-term interest rates. This helped to stabilize the Canada-U.S. exchange rate for a short time.

On August 4 the Canadian dollar reached a 49-year low of U.S. \$0.8031, further intensifying upward pressures on interest rates in Canada. In an attempt to limit the fall in the external value of the Canadian dollar, the Bank Rate was moved to a record 21.24 per cent in early August and short-term interest rates in Canada were some

Table 3.1
Monetary Growth and Interest Rates

	Annual			Quarterly 1981 ⁽¹⁾			
	1979	1980	1981	1Q	2Q	3Q	4Q
(percentage change)							
Money supply ⁽²⁾							
M1	7	6	4	1	5	-4	-16
M2	16	18	14	10	16	18	18
M3	19	14	12	17	2	25	26
Interest rates							
(per cent)							
3-month Treasury bills	11.7	12.8	17.7	16.7	18.2	20.1	15.8
Corporate bonds	10.9	13.3	16.3	14.3	16.0	18.4	16.7
Real interest rate ⁽³⁾	1.7	2.6	8.3	5.7	10.8	10.3	5.5

⁽¹⁾ Seasonally adjusted at an annual rate.

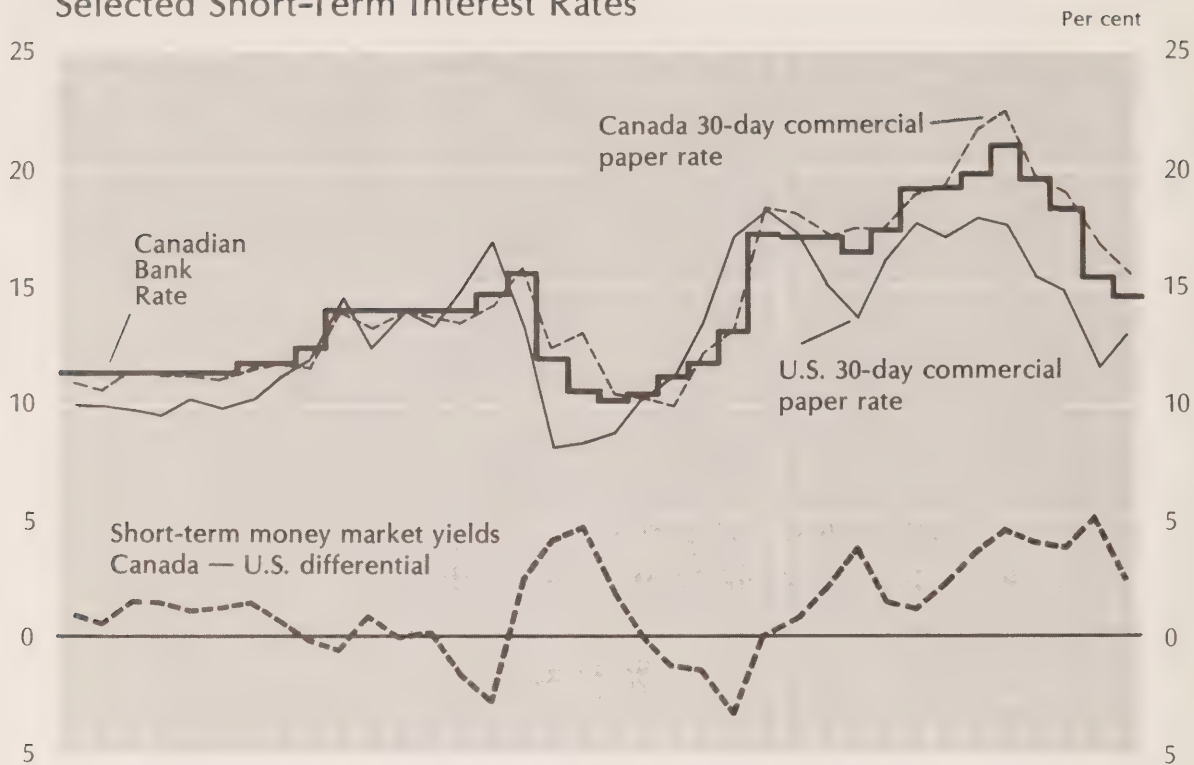
⁽²⁾ Rate of change based on average level for the period over the preceding period.

⁽³⁾ Estimates of real interest rates are obtained as differences between the 90-day commercial paper rate and the concurrent rate of increase in the implicit price index of gross national expenditure.

Source: Bank of Canada, *Review*; and Department of Finance.

Chart 3.2

Selected Short-Term Interest Rates



Exchange Rate



Source: Bank of Canada, *Review*, Monthly.

400 basis points above those in the U.S. Although M1 fell in response to the higher interest rate level and the reduced pace in the growth of economic activity, the Bank of Canada was also very much concerned about limiting the downward pressure on the exchange rate. A further decline in the external value of the Canadian dollar would have added to already serious inflationary pressures.

Interest rate pressures in both Canada and the U.S. eased significantly in the latter part of the year although they were still high in nominal terms by historical standards. The very large interest rate differential of 400 basis points between Canada and the U.S. that prevailed over this period at first had the effect of tempering the fall in the exchange rate and later contributed to its strengthening. As interest rates in the U.S. began to fall, Canadian interest rates also decreased although there was no significant narrowing in the interest rate differential between the two countries until the last two weeks of 1981. During December, the Bank Rate was lowered to 14.66 per cent, which was over 650 basis points below the peak in early August, and the Canadian dollar had strengthened and traded around U.S. \$0.8450.

Real Interest Rates

A useful measure of the degree of restrictiveness of monetary policy is the inflation-adjusted, or real rate of interest (Table 3.1). There are several ways in which the real rate of interest can be estimated. The estimate used here is the difference between the average 90-day commercial paper rate and the inflation rate as measured by the GNE price deflator. Using this measure it appears that, in retrospect, real rates of interest over the 1970s were very low when compared to previous periods and, at times, were even negative. The average real short-term rate of interest during 1961-1970, a period of relatively stable prices, was 2.5 per cent. The low real rates of interest experienced over the 1970s were linked to increasing inflationary pressures in the economy. With the significant tightening of monetary policy which began in late 1979, real rates of interest rose to very high levels by historical standards and were especially high in the middle two quarters of 1981. However, with the easing in

short-term interest rates that occurred in the second half of the year, real rates of interest during the fourth quarter returned to a level close to the average over the 1979-1981 period.

Long-Term Interest Rates

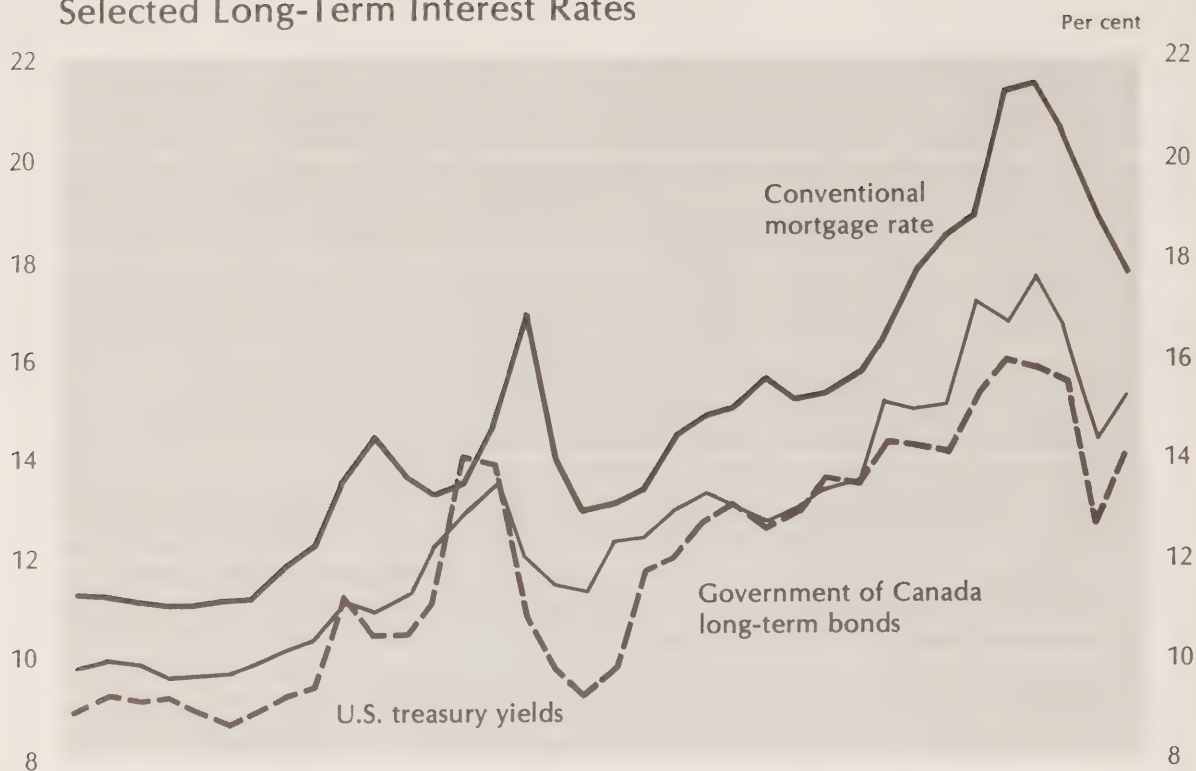
Long-term yields in Canada also moved over a wide range during 1981 and, on balance, were much higher than in the previous year. Yields on long-term Government of Canada bonds, which were slightly under 13 per cent at the beginning of the year, rose fairly steadily throughout the first nine months of the year to peak at 17.66 per cent in September. Both the Canadian and U.S. long-term markets showed some improvement during the final months of the year and yields in Canada dropped fairly rapidly to close at 15.25 per cent by year-end. The improvement in the tone of the market was related primarily to an easing in short-term interest rates and greater stability of the exchange rate. Nevertheless, despite the improvement in bond prices, long-term interest rates were still quite high relative to historical experience.

The rise in long-term yields that occurred in the first nine months of 1981 can be viewed as a continuation of a trend that began in mid-1980. Increases in U.S. long-term interest rates and inflationary expectations appear to be the most important factor behind the continued rise in long-term rates in Canada during the first nine months of 1981. While long-term yields eased somewhat in the final three months of 1981, there were some uncertainties in financial markets, given comments regarding interest rate pressures in the U.S. as a result of the Treasury's heavy financings anticipated over the next two years.

The yield curve on Government of Canada long-term bonds, as shown in Chart 3.4, also displayed considerable variation over the year. Following more than two years of being negatively sloped — indicating higher interest yields for short-term securities than for longer-term ones — the yield curve ended the year with a slight positive slope. The flattening of the yield curve in 1981 resulted from a sharp decline in short-term interest rates and a smaller decline in long-term yields.

Chart 3.3

Selected Long-Term Interest Rates



Canada — U.S. Long-Term Differential



Source: Bank of Canada, Review, monthly.

Financial Markets in 1981

Some restructuring of financial markets took place in 1981 in response to high and volatile interest rates as market participants demonstrated their uncertainty regarding future interest rate movements. Both borrowers and lenders concentrated their activity in the short-term market (Table 3.3). Lenders were increasingly less willing to invest funds for any lengthy period of time, since they were unsure whether interest rates might rise still further, while business borrowers relied on short-term sources of funds rather than attempting to lengthen their debt structure at prevailing interest rate levels. In the household sector, borrowers, especially those renewing their mortgages during the year, attempted to lower their debt burden by drawing down some of their accumulated savings at the time of renewal.

Non-Financial Business Sector

The demand for financing by the non-financial business sector was exceptionally strong in 1981, reflecting rapidly rising expenditures and weakening profit performance as well as heightened takeover activity. Partly in response to these factors, the non-financial business sector raised a record \$42.4 billion in the Canadian capital markets in 1981, considerably higher than the \$28.4 billion raised in the previous year. While the gap between business fixed investment expenditures and internally generated funds widened, as shown in Chart 3.5, it was also evident that increased corporate takeover activity was a major factor contributing to the sharp increase in external borrowing. Table 3.4 shows that borrowing in short-term markets was almost double the very high level of the previous year, while there was only a modest increase in long-term sources

Table 3.2
Credit Expansion

	1978	1979	1980	1981
	(net flows, billions of dollars)			
Private domestic sectors	33.4	42.7	43.7	61.4
Loans to persons.....	4.8	4.9	5.0	5.7
Mortgages ⁽¹⁾	13.7	13.5	10.0	11.9
Non-financial business ⁽²⁾	13.8	22.2	27.5	41.5
Other non-financial borrowers	1.0	2.1	1.2	2.0
Government sector	23.0	12.7	19.2	15.7
Federal	13.7	6.7	12.0	3.7
Federal enterprises	2.5	1.0	1.8	4.0
Provincial (direct and guaranteed debt).....	6.2	4.1	5.1	9.0
Municipal	0.5	0.8	0.3	0.0
Non-residents.....	5.9	3.7	6.6	10.3
Total funds raised	62.2	59.1	69.5	88.1
Less: funds raised abroad	10.8	10.4	8.9	17.3
Funds raised in Canada	51.4	48.7	60.6	70.9
(as a per cent of GNP)	(22.3)	(18.6)	(21.0)	(21.3)

Note: Data may not add due to rounding. Flow data for 1981 are estimates of the Department of Finance.

⁽¹⁾ Does not include mortgage borrowing from the government sector.

⁽²⁾ Excludes mortgage borrowing.

Source: Bank of Canada, *Review*; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

Table 3.3
Credit Expansion by Instrument

	1978	1979	1980	1981
	(net flows, billions of dollars)			
Short-term instruments.....	25.0	20.7	28.7	42.3
Loans to persons.....	4.8	4.9	5.0	5.7
Chartered bank business loans.....	3.3	11.0	10.1	21.3
Other bank loans.....	4.2	- 0.1	1.3	2.2
Other.....	7.3	2.2	5.0	2.4
Treasury bills and short-term paper.....	3.5	4.0	8.6	2.6
Canada Savings Bonds.....	1.9	- 1.3	- 1.3	8.1
Long-term instruments ⁽¹⁾	37.2	38.4	40.8	45.8
Marketable bonds.....	12.5	13.1	14.9	15.7
Mortgages ⁽²⁾	13.7	13.5	10.0	11.9
Equities.....	4.8	5.3	5.6	5.0
Bank loans.....	1.8	1.4	3.3	7.5
Other loans.....	4.4	5.1	7.0	5.7
Total funds raised.....	62.2	59.1	69.5	88.1

Note: Data may not add due to rounding. Flow data for 1981 are estimates of the Department of Finance.

(1) Excludes borrowing by private financial institutions.

(2) Does not include mortgage borrowing from the government sector.

Source: Bank of Canada, *Review*; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

of funds. The continued reliance on short-term sources of funds over the past three years has resulted in a substantial shift in the debt structure of non-financial corporations.

Short-term bank loans accounted for almost 90 per cent of the \$27.0 billion raised in short-term funds. The money market also played a very important role in the financing behaviour of the business sector over the year, although this is not immediately apparent from the data in Table 3.4. While the contribution of bankers' acceptances and commercial paper to total borrowing appears to be relatively insignificant, the monthly turnover in the money market in 1981 was very large. Switching between bank loans and bankers' acceptances and other forms of short-term paper in an effort to minimize the cost of borrowing was an important consideration throughout the year given the level and volatility of short-term interest rates and the changing relationship between money market rates and the banks' prime lending rate.

Heightened takeover activity has had an important impact on the growth of bank loans in recent years and, in 1981, Canadian businesses relied heavily on bank loans to finance such activity. As a result of a concern that such financing might depress the external value of the Canadian dollar, the Minister of Finance announced on July 29 that he had requested a number of the larger Canadian banks to reduce substantially the amount of their lending in which the proceeds are converted to foreign currency and used to finance takeovers. Subsequently the takeover activity subsided. While there is no precise measure of the amount of takeover activity that has been financed by the banks, it is interesting to note that both foreign currency bank loans to residents and Canadian dollar loans to resource-based companies increased very strongly during the year. Foreign currency loans to residents "booked" in Canada reached \$20.9 billion at the end of December, up \$9.7 billion from the end of the previous year. At the same time, Canadian dollar loans to the resource-based industries also

Table 3.4
Private Non-Financial Business Borrowing

	1978	1979	1980	1981
(net flows, billions of dollars)				
Total	13.9	22.9	28.4	42.4
Short-term	5.5	14.3	15.9	27.0
Bank loans	3.8	10.7	9.7	23.5
(of which foreign currency loans booked in Canada)	(2.3)	(1.1)	(2.9)	(9.7)
Commercial paper and bankers' acceptances ..	0.3	1.4	2.7	1.8
Other ⁽¹⁾	1.4	2.2	3.5	1.7
Long-term.....	8.4	8.6	12.5	15.4
Bonds	1.6	0.5	2.1	4.2
Equities	4.8	5.3	5.6	5.2
Mortgages	0.1	0.7	0.9	0.9
Direct investment from abroad	0.1	0.7	0.6	- 2.4
Bank loans	1.8	1.4	3.3	7.5

Note: Data may not add due to rounding. Flow data for 1981 are estimates of the Department of Finance.

⁽¹⁾ Includes commercial loans of sales finance companies, lending by financial institutions affiliated with foreign banks, and business loans from government.

Source: Bank of Canada, *Review*; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

Table 3.5
Selected Credit Measures

	1979	1980	1981	Quarterly 1981 ⁽¹⁾			
				1Q	2Q	3Q	4Q
(percentage change)							
Chartered banks							
Business loans	25	19	41	40	27	57	40
Foreign currency	7	29	124	61	372	172	20
Bankers' acceptances	76	83	22	- 20	- 26	168	40
Total commercial paper	18	10	35	60	71	65	- 23
Business loans plus commercial paper and foreign currency loans to residents	28	28	40	32	47	50	30

⁽¹⁾ Seasonally adjusted at an annual rate.

Source: Bank of Canada, *Review*.

increased by \$2.5 billion and, when combined with foreign currency loans, were an important factor contributing to the 40-per-cent increase in the broader credit measures (Table 3.5).

The cautious attitude of investors concerning the outlook for inflation made it increasingly difficult to attract long-term funds to the Canadian market. Consequently, a large proportion of long-term borrowers were attracted to foreign bond markets, particularly the U.S. and Eurodollar markets, where interest rates were lower than in Canada.

Securities Market

Total net sales of marketable securities as shown in Table 3.6 were again a sizeable \$28.3 billion in

1981. Although there was only a small increase in the sales volume of short-term securities over the year as a whole, activity in the money market during some months was quite brisk. In the long-term market, there was a sharp drop in the volume of issues in the Canadian bond market but this was more than offset by borrowing in foreign markets where interest rates were lower. Volatile interest rates continued to play a key role in the timing of the placement of issues in the bond market during 1981.

The provincial governments borrowed heavily in the bond markets, particularly in foreign markets, raising \$9 billion during 1981. By contrast, the federal government raised only \$4.6 billion in the bond market compared to \$7.2 billion the previous year. The actual financing requirement of the

Table 3.6
Supply of Securities and Distribution of Holdings⁽¹⁾

	1978	1979	1980	1981
	(net flows, billions of dollars)			
Supply of securities				
Money market instruments.....	5.3	6.2	11.3	0.7
Marketable bonds	13.6	14.2	14.3	20.5
Equities	7.9	6.3	7.1	7.0
Foreign securities	—	0.6	0.1	0.1
Total	26.8	27.2	32.8	28.3
(per cent of GNP)	(11.6)	(10.4)	(11.3)	(8.6)
Distribution of holdings				
Non-residents.....	5.0	4.4	6.5	11.3
Residents				
Bank of Canada.....	1.7	1.6	2.2	1.1
Chartered banks	7.2	—	— 0.9	1.0
Near banks.....	1.2	1.3	3.2	1.7
Insurance and pension institutions	6.0	8.4	9.6	8.6
Other private financing institutions	1.3	0.7	1.2	1.5
Other residents	4.5	10.8	11.0	3.1
Total residents	21.8	22.8	26.3	17.0
(per cent of GNP)	(9.5)	(8.7)	(9.1)	(5.2)

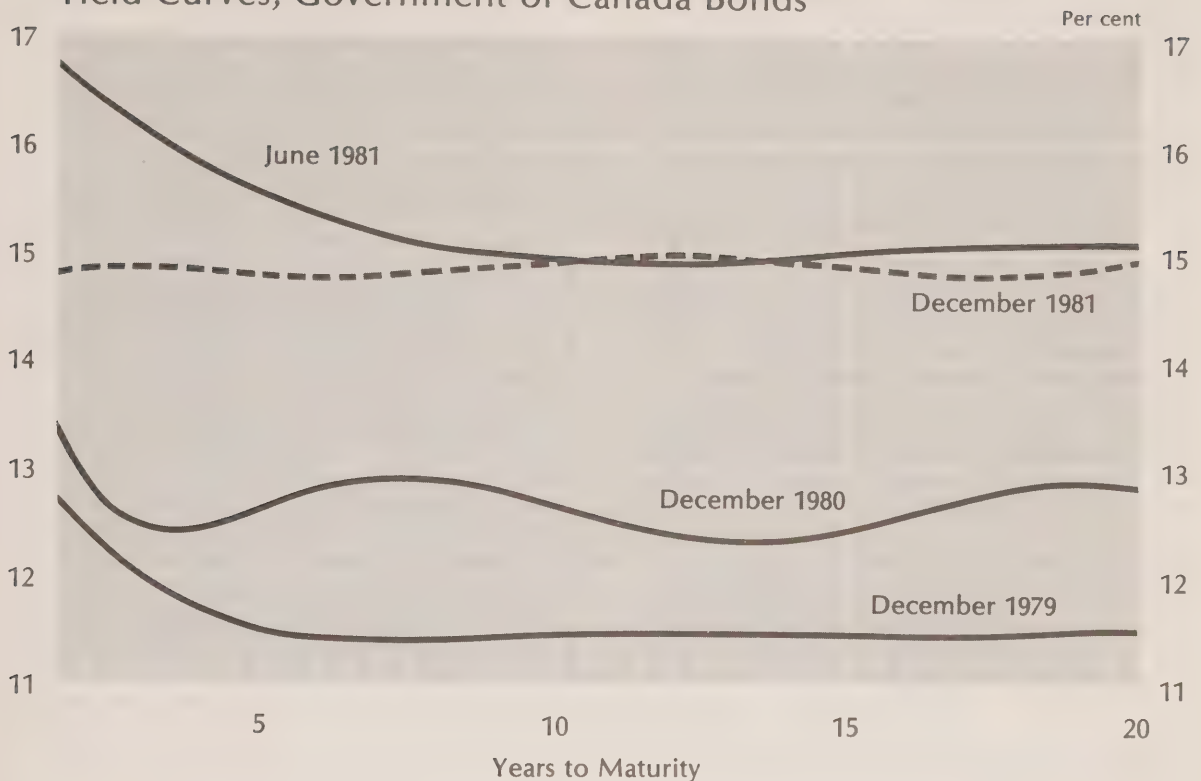
Note: Data may not add due to rounding. Flow data for 1981 are estimates of the Department of Finance.

⁽¹⁾ Excludes Canada Savings Bonds, purchases of provincial direct and guaranteed securities by the Canada Pension Plan and the Quebec Deposit and Investment Fund and the government sector holdings of its own securities.

Source: Bank of Canada, *Review*; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

Chart 3.4

Yield Curves, Government of Canada Bonds⁽¹⁾



(1) The yield curves were drawn using the month-end observation for various maturities of Government of Canada bonds.

Source: Department of Finance.

Government of Canada showed little change over the year. The 1981/82 Canada Savings Bond series netted a record \$11.5 billion and thereby limited the need for raising new funds in the remainder of the 1981/82 fiscal year.

The 19.5-per-cent coupon on the first year of the 1981/82 series combined with the unexpected easing of other interest rates was a major factor in the very large sale of CSBs. On the basis of banking statistics, it would appear that just over one-half of the gross sales came from chartered bank personal savings deposits, slightly less than the approximately 60 per cent which is usually associated with CSB campaigns. The remaining \$6-7 billion is believed to have originated from accrued interest on the maturing series (about \$2 billion) and from the non-bank financial institu-

tions and other sources. In an effort to limit the impact on financial institutions of the strong demand for CSBs, the individual purchase limit was reduced from \$35,000 to \$15,000.

Canadian equity markets in 1981 experienced major declines in almost all areas in marked contrast to the record levels reached in the previous year. Both the volume and value of shares traded dropped on all the major stock exchanges in 1981. For example, the value of trading on the Toronto Stock Exchange (TSE) fell by 15 per cent in 1981 to \$25 billion and the total volume of shares traded was down 2.5 per cent to just over 1.5 billion shares. Despite the weakness in Canadian equity markets, net new issues of equities were a substantial \$7 billion, only slightly less than the average for the previous three years.

Personal Sector

Consumer credit balances outstanding rose 10.0 per cent to \$48 billion in 1981, only slightly faster than the rate of growth of current expenditures on consumer durables (Table 3.7). Following fairly strong growth in the first half of 1981, the growth of total consumer loans outstanding slowed in the latter half of the year and was no doubt related to the high level of interest rates as consumers appeared to be less willing to add to their debt load. The chartered banks continued to be the most active lenders, supplying almost two-thirds of all personal loans. However, primarily due to below-market interest rates offered by the North American automobile manufacturers, the sales finance companies affiliated with the automobile companies re-emerged as important lenders last year.

Despite higher mortgage interest rates, net mortgage investment by the major private financial institutions during 1981 amounted to \$11.9 billion, up from the \$10.0 billion recorded in 1980

(Table 3.8). A major part of this increased lending occurred in the first half of the year reflecting a brief upturn in the level of housing starts as well as sharply higher house prices in some markets, at least until mid-year. All the major groups of lending institutions, except credit unions, insurance companies, pension funds and caisses populaires, shared in the increase in total mortgage loans outstanding.

For some time now, mortgage lenders have been experiencing increased difficulty in matching the term structure of their mortgage loans and liabilities. In this respect the situation in 1981 was very much a continuation of earlier periods. As mortgage rates started to decline in the latter half of the year, longer-term mortgages were increasingly demanded by borrowers because of their concerns regarding future interest rate movements. However, many depositors have become increasingly reluctant to invest their funds for more than one year in view of the volatility of interest rates over the past few years. At the same time, lending institutions became con-

Table 3.7
Loans to Persons

	1978	1979	1980	1981
	(net flows, billions of dollars)			
Consumer credit				
Chartered banks	2.9	3.5	3.7	2.9
(Credit cards)	(0.5)	(0.5)	(0.5)	(0.5)
Other deposit-accepting institutions ⁽¹⁾	1.3	1.1	0.8	0.3
Other lenders ⁽²⁾	0.4	0.1	0.2	1.1
Total	4.6	4.7	4.6	4.3
Other loans to persons ⁽³⁾	0.2	0.2	0.4	0.5
Total loans to persons	4.8	4.9	5.0	4.8
Percentage change in:				
Total consumer credit	15.3	14.0	12.1	9.8
Consumer expenditure	10.5	11.2	11.6	13.1
Consumer expenditure on durable goods	9.0	12.7	6.9	9.6

Note: Data may not add due to rounding. Flow data for 1981 are estimates of the Department of Finance.

⁽¹⁾ Credit unions and caisses populaires, Quebec savings bank, trust and mortgage loan companies.

⁽²⁾ Department stores, sales finance and consumer loan companies and life insurance companies.

⁽³⁾ Canada Savings Bond loans, other bank loans and trust and mortgage loan company secured loans.

Source: Bank of Canada, *Review*; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

Table 3.8
Mortgages

	1978	1979	1980	1981
	(net flows, billions of dollars)			
Private lending				
Chartered banks ⁽¹⁾	3.8	4.3	3.3	4.4
Trust and non-bank mortgage loan companies ⁽²⁾	3.8	4.2	2.6	3.8
Credit unions and caisses populaires	2.4	2.3	1.7	1.2
Insurance and pension institutions	2.2	2.3	2.1	1.9
Other private lenders ⁽³⁾	1.5	0.4	0.3	0.6
Sub-total	13.7	13.5	10.0	11.9
Government sector lending	0.5	0.3	0.9	1.3
Total ⁽⁴⁾	14.2	13.8	10.9	13.6

Note: Data may not add due to rounding. Flow data for 1981 are estimates of the Department of Finance.

⁽¹⁾ Includes chartered bank mortgage loan affiliates.

⁽²⁾ Excludes chartered bank mortgage loan affiliates.

⁽³⁾ Mutual funds, fire and casualty insurance companies, mortgage investment trust corporations, sales finance and consumer loan companies, Quebec savings banks, non-financial corporations and other private financial institutions.

⁽⁴⁾ Excludes mortgage lending by persons and unincorporated businesses.

Source: Bank of Canada, *Review*; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

cerned about matching the terms of their mortgage assets to the shorter terms of their deposit liabilities. By the end of the year there was a consequent tightening of the supply of funds allocated to longer-term mortgage loans, accompanied by a small increase in the rates charged, primarily due to an inability of lenders to attract longer-term funds.

As a result of a concern that high interest rates would have a serious impact on some 500,000 Canadian families that were expected to renew their mortgages during the year, a Task Force on Mortgage Renewal consisting of representatives from the Department of Finance, Canada Mortgage and Housing Corporation and the mortgage lenders held a series of meetings to explore measures that might be appropriate to help cushion the impact of such changes on borrowers. One technique which received a great deal of discussion, and which has been offered by a number of major financial institutions, is interest deferral. Interest deferral involves taking the

difference between mortgage payments required for the contract mortgage rate and those required for some lower interest rate and adding it to the outstanding mortgage principal. Its main advantage is that it accommodates borrowers having temporary cash flow difficulties as a result of a sudden large change in interest rates by providing them more time to adjust their expenditure patterns.

It was also apparent that many mortgage borrowers attempted to lower their level of indebtedness and thereby helped to contribute to the slowdown in the growth of total mortgage loans outstanding in the second half of the year. In this regard, several lenders reported an unusually large number of borrowers who either paid off their mortgages or made substantial repayments at the time of renewal. Later in the year after interest rates eased, some lenders announced rollbacks of interest rates on mortgages that had been renegotiated at high rates over the July to November period.

Chartered Banks

Growth in total Canadian dollar major assets of the banking system was 24 per cent in 1981, up sharply from 11 per cent in the previous year.⁽¹⁾ Once again, the major source of strength in bank assets was business lending (Table 3.9). By the end of the year, bank credit to businesses was more than 30 per cent higher than the level at the end of 1980. While a large part of growth in loans was financed through deposit inflows of Canadian dollar deposits, the net foreign assets position of the banks widened in the latter half of the year.

The shift to short-term borrowing in financial markets led to a marked increase in the proportion of total credit supplied through the banking system

from 33 per cent in 1980 to 62 per cent in 1981. Despite high interest rates, business loan demand was strong throughout the year. The proceeds from the increased level of bank loans by the non-financial business sector were used, in part, to help finance corporate takeover activity. Data available to the end of October show that almost 80 per cent of the \$18 billion increase in bank loans in the first 10 months of the year, compared to 55 per cent over the same period in 1980, was accounted for by borrowers with large loan authorizations, many of whom were involved in such activity. The banks' market share of total domestic financing was also affected to some extent by the easing in the demands for consumer credit and mortgages in the second half of 1981. The strong growth of loans throughout 1981 resulted in the banks competing for large

Table 3.9
Chartered Bank Assets

	1978	1979	1980	1981
	(net flows, billions of dollars)			
Canadian liquid assets	1.0	1.5	- 0.5	0.3
Treasury bills	0.5	1.1	0.8	0.5
Other	0.4	0.4	- 1.3	- 0.2
Less liquid assets	16.5	21.1	18.2	33.2
Ordinary personal loans	2.9	3.5	3.7	2.9
Mortgages	4.0	4.6	3.5	2.7
Business loans	3.3	11.0	10.1	21.3
Other bank loans	1.1	1.6	1.3	2.2
Corporate securities	3.7	- 0.3	- 0.6	2.4
Other assets	1.5	0.7	0.2	1.7
Total Canadian dollar assets	17.5	22.6	17.7	33.5
Foreign currency loans to residents ⁽¹⁾	2.3	1.1	2.9	9.7
Government of Canada ⁽¹⁾	1.6	- 1.3	0.4	- 0.7
Other ⁽¹⁾	0.7	2.4	2.6	10.4
Foreign currency securities of residents ⁽¹⁾	2.9	0.1	- 0.3	0.6
Total lending to Canadians	22.7	23.7	20.3	43.8

Note: Data may not add due to rounding. Data for 1981 have been adjusted to take account of the new reporting system.

⁽¹⁾ Foreign currency data are corrected to exclude the effect of changes in the exchange rate on the stock of the series.

Source: Bank of Canada, *Review*; and Department of Finance.

⁽¹⁾ Data for the chartered banks have been adjusted to take account of a new reporting system.

Table 3.10

Assets of Non-Bank Deposit-Accepting Institutions⁽¹⁾

	1978	1979	1980	1981
(net flows, billions of dollars)				
Currency and deposits	0.4	0.0	0.4	1.9
Consumer credit	1.3	1.1	0.8	0.3
Other loans	0.2	0.6	0.6	0.6
Mortgages	6.6	8.0	7.1	7.5
Canadian marketable securities	1.2	1.3	3.2	1.7
Other assets	0.5	0.1	1.0	0.8
Total assets	10.1	11.1	13.1	12.8
(per cent change)	(18.8)	(17.5)	(17.7)	(11.3)
Deposits	8.9	9.3	10.7	10.6
(per cent change)	(18.8)	(16.4)	(16.6)	(12.1)

Note: Data may not add due to rounding. Flow data for 1981 are estimates of the Department of Finance.

⁽¹⁾ Includes trust and mortgage loan companies, credit unions and caisses populaires, and Quebec Savings Bank.

Source: Bank of Canada, *Review*; and Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002.

Table 3.11

Assets of Insurance Companies and Pension Institutions⁽¹⁾

	1978	1979	1980	1981
(net flows, billions of dollars)				
Changes in assets				
Currency and deposits	0.3	0.5	0.6	0.7
Loans	0.2	0.3	0.5	0.7
Mortgages	2.2	2.3	2.1	1.9
Bonds and short-term paper	5.3	7.0	6.6	6.4
Equities	0.5	0.8	2.4	3.7
Other assets	0.6	0.5	0.9	1.4
Total	9.0	11.3	13.1	14.8
(per cent change)	(15.9)	(17.2)	(17.0)	(16.7)

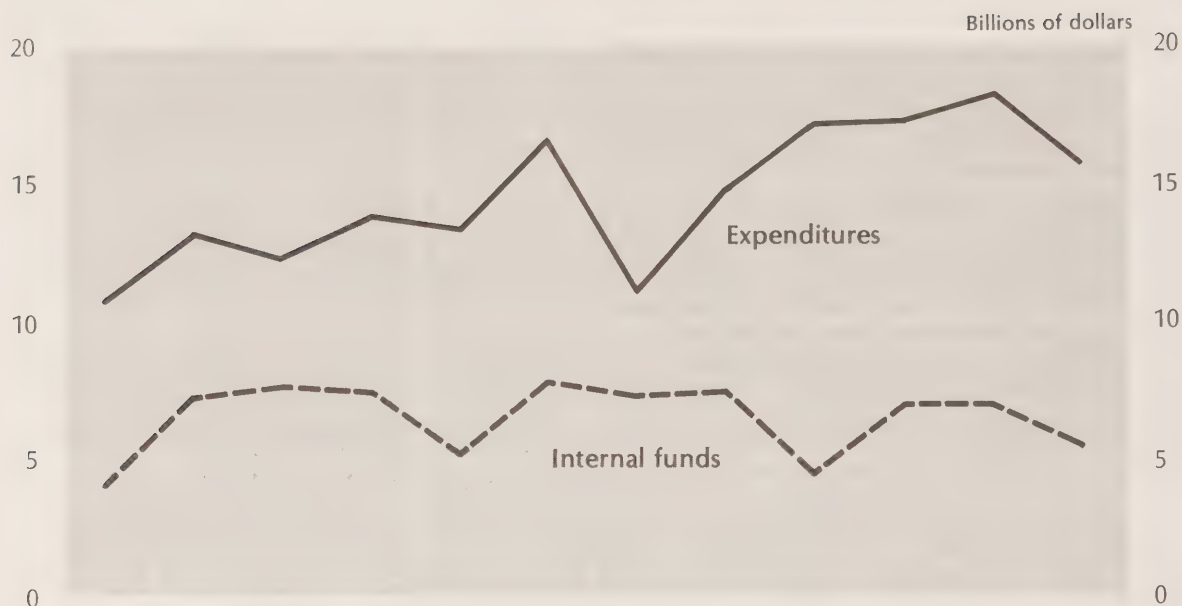
Note: Data may not add due to rounding. Data for 1981 are estimates of the Department of Finance.

⁽¹⁾ Includes life insurance companies and trustee pension plans.

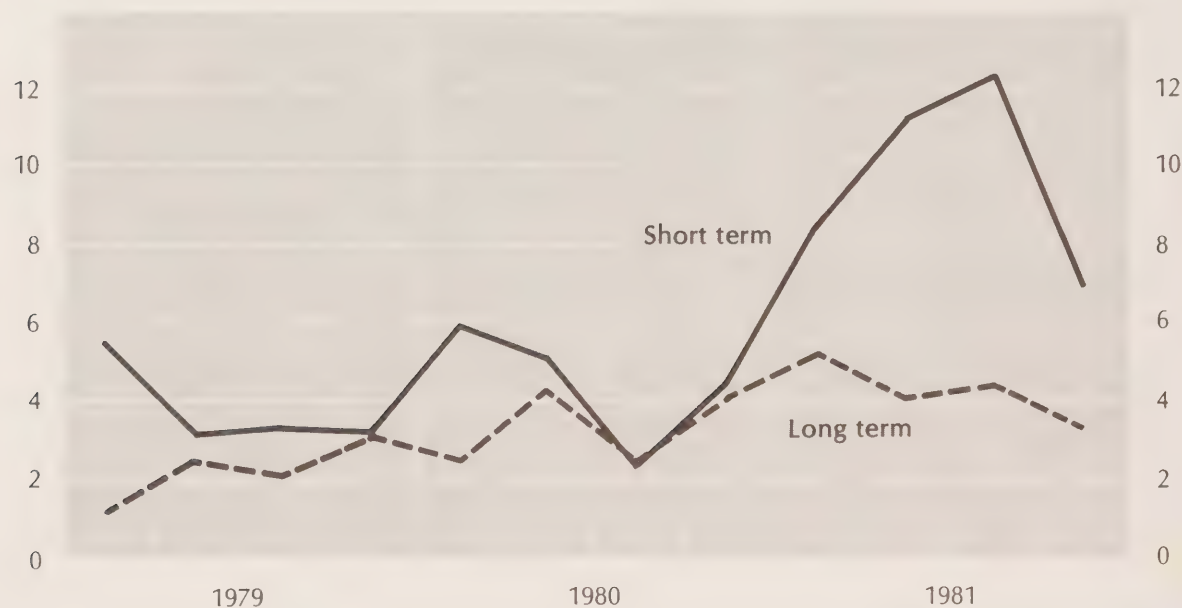
Source: Statistics Canada, *Financial Flow Accounts*, quarterly, cat 13-002; and Department of Finance.

Chart 3.5

Financing Patterns of Non-Financial Corporations



Net Funds Raised in Credit Markets



Source: Statistics Canada, *Financial Flow Accounts*; Bank of Canada, *Review*, monthly.

fixed-term deposits at several times during the year to fund their lending activities. High interest rates also made bank savings instruments attractive to individuals and were, once again, an important factor contributing to the strong growth of investment income.

Non-Bank Financial Institutions

Total assets of the near-banks in 1981 increased 11.3 per cent or \$12.8 billion, as shown in Table 3.10. This rate of increase marks the fourth consecutive year of slower growth and reflects the importance of mortgages in their investment strategy. Mortgages comprise the largest part of their investment portfolios and the general slowdown in the demand for mortgages as well as a squeeze on interest rate margins have both contributed to the slower growth and less aggressive stance of these intermediaries. This has been particularly the case for the trust and mortgage loan companies.

Total assets of the credit unions and caisses populaires rose 12 per cent for the second con-

secutive year, down considerably from an average annual growth rate of more than 20 per cent over the previous 10 years. The credit union movement has also been under significant liquidity pressure because a large proportion of their assets is in fixed-term mortgages while rates paid on their savings deposits have had to be adjusted to maintain their competitive position.

Insurance companies and pension funds continued to experience a strong and steady demand for their instruments as shown in Table 3.11. Reflecting the weak demand for funds, investment in mortgage loans by life insurance companies and pension funds slowed through the year and greater emphasis was placed on corporate bonds and other assets. During 1981, these institutions increased their holdings of equities by some \$3.7 billion and of bonds and short-term paper by some \$6.4 billion. Life insurance policy loans also increased rapidly as the wide differential between the interest rate charged on policy loans and current market interest rates continued to make these loans increasingly attractive.

4. Personal, Housing and Business Sectors

Real consumer spending advanced 1.7 per cent in 1981, up from the 1.0-per-cent growth recorded in 1980 but significantly less than the average 6.5-per-cent growth which occurred during the period 1971-1976. The slow growth pattern of consumer expenditures established since 1977 therefore continued in 1981 despite the fact that real disposable income grew 4.1 per cent. The continued slow growth was a result of a variety of factors, the most important of which were record high interest rates, a high rate of inflation and continued economic uncertainty. The personal savings rate, which has shown a significant upward trend since the early 1970s, jumped further to 11.6 per cent in 1981. A large part of this trend increase in the savings rate, as conventionally measured, can be attributed to an acceleration in the rate of inflation during the 1970s. The inflation-adjusted savings rate increased only marginally during the inflationary period 1973-1981.

Housing starts in 1981 totalled 178,000 units, 12.2 per cent more than in 1980, but considerably less than the levels achieved during the 1968-1979 period. The level of starts fluctuated between a high of 246,300 units at annual rates in April and a 21-year low of 106,300 units in October. High and volatile interest rates and low vacancy rates were the principal factors responsible for this set of developments. Real residential investment increased 1.4 per cent in 1981 after having declined in six of the last seven years.

Real business investment in plant and equipment advanced 6.9 per cent in 1981, compared to 8.6 per cent in 1980. It was the third consecutive year in which business investment grew more rapidly than real GNP. The continued strong performance has occurred despite the fact that real interest rates reached record levels and corporate profits declined in 1981, and can be attributed mainly to structural factors, such as improved competitiveness of Canadian industries in the latter half of the 1970s and development of energy resources. There was an accumulation of inventories through the first three quarters of 1981, followed by a large swing to inventory run-

off in the fourth quarter due to a need to adjust the inventory-to-sales ratio. The inventory cycle contributed significantly to the swings of real GNP during the course of the year. As profits weakened in 1981 and investment increased, the need for external borrowing rose substantially. The financial position of large industrial corporations showed signs of strain as debt-to-equity ratios increased.

Sources of Income

Nominal personal income and personal disposable income both increased at significantly higher rates in 1981 than in 1980, as indicated in Table 4.1. These higher rates reflected large increases in investment income and labour income. The growth in disposable income was less than that of personal income as a result of an increase in the average effective tax rate to 19.5 per cent from 18.8 per cent in 1980 (see Chapter 8 for details on tax changes).

The rate of increase of labour income, which includes wages, salaries, supplementary income and military pay and is the largest component of personal income, increased 1.9 percentage points to 13.8 per cent in 1981 mainly as a result of larger gains in average compensation per employee. Employment growth at 2.6 per cent in 1981 was very similar to that recorded in 1980.

Investment income grew 36.7 per cent due to record high nominal interest rates in 1981 and the build-up of financial assets as a result of high savings rates. Farm income, which often fluctuates significantly from year to year, advanced 58.6 per cent in 1981. This largely reflected record or near-record grain crops and increased exports, along with higher prices for most farm products.

After adjusting the nominal figures by the consumer expenditure implicit price index, real personal disposable income, as conventionally measured, advanced 4.1 per cent in 1981, as indicated in Table 4.8, significantly up from the 1.1-per-cent increase in 1980.

Table 4.1

Sources and Disposition of Personal Income

	1977	1978	1979	1980	1981
	(percentage change)				
Sources of income					
Labour income ⁽¹⁾	10.2	9.0	11.6	11.9	13.8
Net farm income	- 14.8	20.3	9.7	- 11.6	58.6
Net non-farm unincorporated business income	8.0	5.8	8.9	8.9	10.4
Interest, dividends and other investment income	12.9	24.2	17.3	16.2	36.7
Transfer income	14.0	12.8	5.1	15.1	12.5
Personal income	10.3	11.0	11.2	12.2	16.6
Personal disposable income	10.0	12.0	11.4	11.8	15.7
Disposition of personal income					
Consumer expenditure	10.5	10.4	11.3	11.6	13.0
Personal direct tax ⁽²⁾	11.3	6.7	10.3	14.4	20.5
Transfer payments ⁽³⁾	6.4	20.6	46.6	27.9	40.4
Savings	6.4	24.9	6.6	9.3	32.3
	(per cent)				
Effective average tax rate	19.4	18.6	18.5	18.8	19.5

(1) Includes military pay and allowances.

(2) Includes all current transfers to government.

(3) Includes interest on consumer debt and transfers to non-residents.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

Personal Expenditure

There was a modest increase in the growth rate of real consumer spending in 1981 to 1.7 per cent from 1.0 per cent in 1980. Compared to 1980, the growth in expenditures on durables, semi-durables and non-durables increased and on services slowed.

The small increase in the growth rate of real consumer spending in 1981 occurred as real personal disposable income advanced 4.1 per cent in 1981 compared to only 1.1 per cent in 1980. The increase in consumer spending lagged significantly behind the increase in real disposable income due mainly to the record levels of real interest rates. High real interest rates, in addition to directly discouraging spending, also led to a diversion of funds away from personal expenditure to repayment of mortgages. The durable

category of consumer expenditure, which is most sensitive to interest rate developments, showed the smallest increase at 0.5 per cent, as shown in Table 4.2. Other factors constraining the growth of consumer spending relative to the growth of real disposable income were the continuation of economic uncertainty and the relatively larger increases in farm income and investment income compared to other income sources. The heightened degree of uncertainty was a result of the continued high unemployment rate and the increased variability of inflation and interest rates. Also, the marginal propensity to consume out of farm income because of a large transitory component, and out of investment income because of the impact of high inflation and high interest rates, was probably quite small.

The distribution of total consumer expenditure in constant 1971 dollars has changed quite signifi-

Table 4.2

Percentage Share and Growth of Consumer Expenditure Categories⁽¹⁾

	Share of total consumer expenditure				Rate of change			
	Average 1971-78	1979	1980	1981	Average 1971-78	1979	1980	1981
	(per cent)				(percentage change)			
Durables	16.8	17.9	17.4	17.2	9.2	4.4	-1.6	0.5
Autos and repairs	7.7	7.8	7.2	7.0	7.3	3.7	-6.2	-1.1
Household furniture and appliances	4.2	4.2	4.2	4.1	7.6	2.8	0.2	-0.6
Recreation equipment	5.0	5.8	6.0	6.0	13.9	6.6	3.3	-3.3
Semi-durables	13.6	13.9	13.6	13.8	6.5	0.9	-1.2	2.8
Clothing and footwear	8.1	8.6	8.5	8.8	6.7	2.4	-0.1	4.8
Household furniture	3.7	3.5	3.5	3.3	7.3	-0.8	-0.6	-2.9
Books and newspapers	1.2	1.1	1.1	1.1	-2.2	-1.9	0.6	5.1
Jewellery	0.7	0.7	0.5	0.5	7.8	-3.5	-21.5	4.6
Non-durables	29.6	27.9	27.8	27.6	3.9	1.2	0.6	1.0
Food, beverages and tobacco	19.8	18.1	18.0	18.0	3.3	0.6	0.4	1.8
Gasoline, oil and grease	2.9	2.9	2.9	2.7	5.9	2.9	0.6	-4.0
Household supplies	1.4	1.4	1.3	1.3	5.8	2.5	-4.0	-0.9
Drugs and sundries	1.5	1.6	1.6	1.7	8.0	2.7	3.0	5.1
Household electricity and gas	3.1	2.9	2.9	2.8	2.6	0.8	1.3	-1.1
Toilet articles	1.0	1.0	1.1	1.0	8.8	3.4	3.4	2.1
Services	40.0	40.3	41.2	41.0	5.0	1.9	3.2	1.4
Transportation and communications	4.8	5.3	5.6	5.6	7.4	7.6	5.6	2.0
Rent	14.6	14.8	15.2	15.3	4.0	3.8	3.7	2.5
Household	1.0	0.8	0.8	0.8	0.3	-1.7	-1.9	2.1
Medical	1.6	1.6	1.5	1.6	1.2	1.5	-1.2	2.3
Personal	12.9	13.2	13.5	13.7	5.6	2.7	2.7	3.3
Recreation, educational, cultural and other	5.1	4.5	4.6	4.1	7.1	-10.5	2.7	-8.8
Consumer expenditure	100.0	100.0	100.0	100.0	5.6	2.0	1.0	1.7

⁽¹⁾ All estimates are obtained using consumer expenditures in constant 1971 dollars.

Source: Statistics Canada, *National Income and Expenditure Accounts*, annual, cat. 13-201.

cantly over the last decade. As shown in Table 4.2, the share spent on services has increased significantly over time and that of non-durables has declined. Although the shares of durables and semi-durables in total consumer spending were somewhat higher in 1981 relative to their 1971-1978 averages, these shares have recently been fluctuating considerably.

A number of factors affect the consumer's decision on how his expenditures are allocated. Some of these factors are the level of real personal income, stocks of goods owned, levels of expenditures in earlier periods, changes in relative prices, changes in demographic factors, levels of real and nominal interest rates, tax policies and changes in the rates of inflation and unemploy-

ment. The year 1981 witnessed relatively large changes in relative prices, an acceleration in the rate of inflation, and large increases in nominal and real interest rates. Increases in prices of durable and semi-durable goods were considerably smaller than the average increase in the consumer expenditure deflator, while relative prices of non-durables increased significantly more rapidly. As a result, the increase in the volume of consumer expenditures on non-durables lagged behind, and on semi-durables led, the overall increase in consumer expenditures. Historically high interest rates kept the increase in expendi-

tures on durables significantly below the increase in total expenditures on goods and services.

Expenditure, Relative Prices and Income

As indicated above, relative price changes and real income growth are two of the most important factors which influence the composition of consumer expenditure. Relative price changes are important since an increase in the price of a commodity relative to others creates incentives to look for substitutes, with the degree of substitution depending upon the nature of the commodity

Table 4.3
Estimated Elasticities for Consumer Expenditure⁽¹⁾

	Impact elasticity ⁽²⁾	Long-run elasticity ⁽²⁾
In response to changes in real disposable income		
New passenger cars	2.22	1.14
Other durables	0.53	1.07
Semi-durables	0.47	0.76
Food	0.20	0.58
Fuel	0.17	0.76
Other non-durables	0.28	0.69
Services excluding rent	0.21	0.89
Rent	0.0	0.10
Total	0.34	0.72
In response to changes in relative prices		
New passenger cars	- 0.63	- 0.18
Other durables	- 1.43	- 1.05
Semi-durables	- 0.37	- 0.52
Food	- 0.66	- 0.70
Fuel	- 0.23	- 0.58
Other non-durables	- 0.62	- 0.49
Services excluding rent	- 0.48	- 0.44
Rent	0.0	0.0

⁽¹⁾ Elasticity is the change in volume of consumption relative to a given change in relative prices or real disposable income. Estimates of elasticities can vary due to the particular specification of an equation, the time period over which the equation is estimated, the method of estimation used and the manner in which expenditure, income, prices and other explanatory variables in the equation are measured. Interested readers are invited to contact the Macro-Analysis Section of the Economic Analysis Division at the Department of Finance for detailed information on the process used to derive the above estimates.

⁽²⁾ Impact elasticity gives the first quarter effect, and long-run elasticity the long-run effect, on demand of changes in real disposable income and relative prices.

Source: Department of Finance.

itself. Real income changes are important in determining the composition of consumer spending because increases in income lead people to spend proportionately more on items which are relatively less essential and therefore can be more easily afforded at higher income levels.

Table 4.3 provides some estimates of impact and long-run consumer expenditure elasticities. The term elasticity here is defined to mean the percentage change in the volume of consumption of a commodity relative to a given percentage change in relative prices or real disposable income. The impact elasticity is the initial quarterly impact of a change in relative price or income; the long-run elasticity is an estimate of the longer-run effect.

Consumer spending elasticity in response to real income change is relatively high for passenger cars, other durables and semi-durables in the short term. For the long run, this elasticity is relatively high for passenger cars, other durables and services excluding rent. This means that the

growth of income would, over time, lead to sizeable increases in shares of durables and services in total expenditure, other things remaining the same.

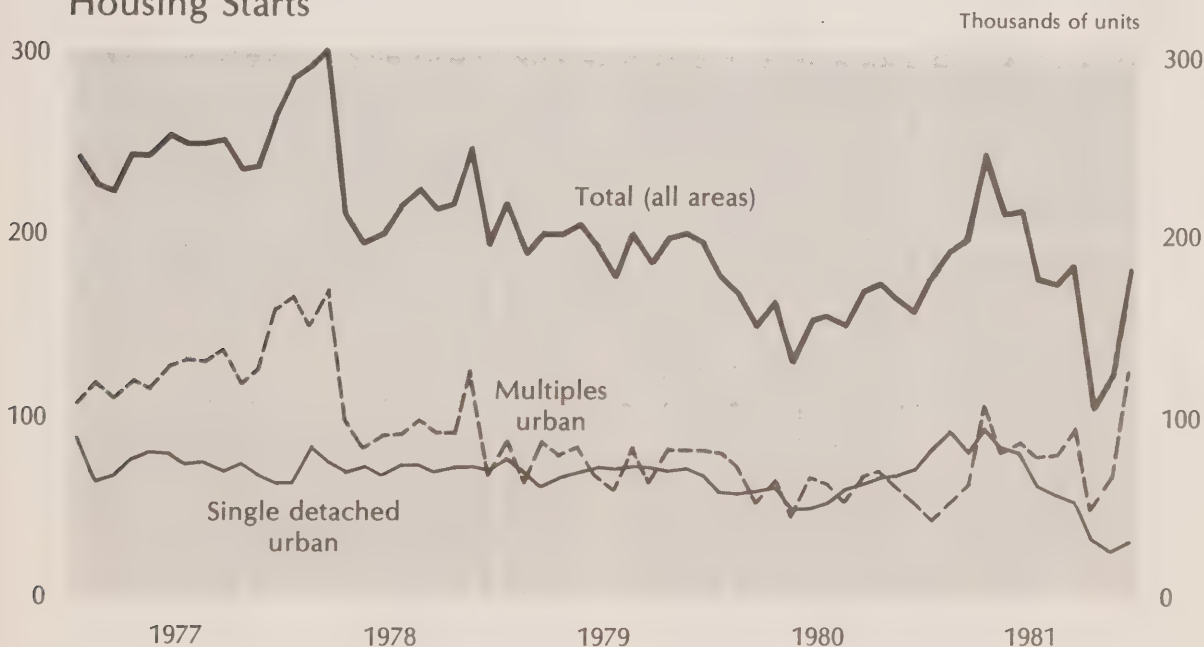
Given changes in relative prices, the impact elasticities are large for durables, food and other non-durables. The long-run elasticities are large for durables other than autos, food and fuel. Given that relative prices of food and energy have increased over the last few years, it is not surprising that their shares of total real personal expenditure have recently declined relative to historical levels.

Housing Starts

Housing starts in 1981 totalled 178,000 units, significantly higher than the 158,600 starts in 1980 (Table 4.4), but considerably lower than the levels achieved during the period 1968-1979. The volume of spending on housing advanced 1.4 per cent in 1981 after declining 10.6 per cent in 1980.

Chart 4.1

Housing Starts



Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*, annual.

Table 4.4
New Housing Indicators

	1977	1978	1979	1980	1981
	(percentage change)				
Real residential construction expenditure	- 6.3	- 3.3	- 7.3	- 10.6	1.4
	(thousands)				
Housing starts	245.7	227.7	197.0	158.6	178.0
Urban—Singles	74.6	72.9	72.9	60.7	63.4
Multiples	125.6	105.8	78.8	64.3	79.0
Total	200.2	178.7	151.2	125.0	142.4
	(per cent)				
Conventional mortgage rate	10.4	10.6	12.0	14.3	18.2

Source: Statistics Canada, *Canadian Statistical Review*, monthly, cat. 11-003; *Bank of Canada Review*, monthly; and Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*, annual.

Strong income growth, expectations of even higher mortgage rates, the underlying housing demand and the relatively low level of completed but unoccupied units led to a strong recovery in the housing construction market in the first two quarters of 1981. Housing starts reached a peak annual rate of 246,300 units in April. The conventional mortgage rate, which averaged 15.4 per cent in the first quarter of 1981 and 17.6 per cent in the second quarter, jumped to 20.6 per cent in the third quarter, and peaked at 21.5 per cent in October before declining to the 17-per-cent range by the end of the year. Along with these high mortgage rates, the slowing growth in income in the third and fourth quarters of 1981 also contributed to significantly lower housing starts. Monthly starts reached a 21-year low of 106,300 units at an annual rate in October. The market recovered somewhat in November and significantly in December as a result of declining mortgage rates and the strong pick-up in multiple starts due to the scheduled termination in 1982 of the multiple unit residential building (MURB) program announced in the November 1981 budget. The budget stipulated that soft costs under the MURB program would not be allowed immediate full tax write-off after December 31, 1981. The only exceptions would be cases where the footing or base support of units under

MURBs were already in place by December 31, 1981, or where arrangements for construction were substantially advanced before November 13, 1981 with the footing and base support to be in place by May 31, 1982. Multiple starts in early 1982 may thus also be stimulated to a limited extent by the expiration of the MURB provision.

Both single and multiple starts increased in 1981. The increase was much more significant for multiple starts, principally because multiple starts had been very depressed in recent years. Whereas single starts in 1981 were 86 per cent of the average level of single starts during 1977 and 1978, the comparable value for multiple starts was only 68 per cent.

Following this trend of housing starts, real investment in residential construction recovered strongly in the first two quarters of 1981. Investment advanced 5.7 per cent in the first quarter and 6.1 per cent in the second quarter. It declined 11.6 per cent in the third quarter of 1981 and another 10.8 per cent in the fourth quarter. For the year as a whole, residential investment was up 1.4 per cent. This was the first increase in real residential construction expenditure since 1976.

Table 4.5
New Business Capital Expenditures⁽¹⁾ (Current dollars)

	Share of total in 1981	1979	1980	1981
	(per cent)	(percentage change)		
Non-energy				
Agriculture and fishing	8.5	25.3	2.1	5.9
Mining	5.1	33.9	52.9	29.1
Forestry.....	0.5	25.7	5.1	— 12.8
Manufacturing	21.3	22.3	28.4	25.0
Construction.....	2.4	12.6	9.8	18.5
Total goods-producing sector	37.8	23.6	20.9	19.5
Transportation, storage and communication	12.1	21.7	15.9	18.0
Trade.....	3.6	31.0	4.5	16.3
Finance, insurance and real estate	8.2	28.5	14.6	26.0
Community, business and personal services.....	7.8	28.4	11.8	3.8
Total services sector	31.7	19.1	11.2	15.8
Total non-energy	69.5	20.9	15.1	17.8
Energy				
Electric power	13.4	8.0	0.0	21.7
Petroleum and gas extraction	12.0	35.0	56.8	6.6
Pipelines	3.2	— 29.0	136.7	191.5
Gas distribution	0.8	12.7	32.6	12.7
Petroleum and coal products	1.1	— 25.8	45.6	90.3
Total energy	30.5	13.1	24.2	23.6
Total	100.0	18.9	17.2	19.5

⁽¹⁾ Excludes investment for housing, institutions and for public administration.

Source: Statistics Canada, *Private and Public Investment in Canada*, annual, cat. 61-206.

Fixed Investment

Real business investment in new plant and equipment rose 6.9 per cent in 1981 (see Table 1.1). This marked the third consecutive year in which business investment grew more rapidly than real GNP. In the latter half of 1981, however, slower growth in investment began to emerge in response to weak product demand, declining rates of capacity utilization, lower profit margins and continued high levels of interest rates. This three-year investment cycle continued the his-

toric pattern over the past 20 years where three years of relative investment strength generally follow three years of relative weakness.

Despite the likely cyclical moderation in investment, there continue to be more permanent or structural reasons contributing some underlying strength to the investment outlook. These factors include new market opportunities resulting from the improvement in international competitiveness in the latter half of the 1970s, the development of Canada's large resource base in energy and

other raw materials, the adjustment of productive processes to reflect the relative increase in the cost of energy, and the adjustment to shifting consumer demand patterns arising from such factors as demographic changes, internal migration and relative price movements. As a reflection of this basic underlying strength in investment, business investment as a share of GNP was 17.0 per cent in 1981. This proportion matched the previous peak achieved during the surge in mining investment in 1957.

Business investment in nominal dollars increased 19.5 per cent in 1981. As indicated in Table 4.5, energy investment rose 23.6 per cent while non-energy investment increased 17.8 per cent. Investment outlays for pipelines nearly tripled, and by the petroleum and coal product industry nearly doubled, that for 1980. New investment for electric power increased nearly 22 per cent after levelling off in 1980. The increase in non-energy investment was led by rises of 29 per cent in mining, largely for metal mines, and 25 per cent in manufacturing. Particular investment strength was shown by the chemical, the paper and allied products and the transportation equipment industries. The largest gain in the service sector was recorded by the finance, insurance and real estate group with an increase of 26 per cent, with the bulk of the increase attributable to higher outlays by real estate developers.

In volume terms, new investment in non-residential construction rose 8.4 per cent in 1981. Energy investment was a major contributor to this advance as roughly 75 per cent of energy outlays were for construction purposes. Mining investment was a second major contributor as about 70 per cent of the industry outlay was for construction. As well, nearly all of the increase in real estate outlays was for construction. New investment in machinery and equipment rose 5.6 per cent in 1981. Investment by the manufacturing industry and for new energy sources were the main contributors to this advance.

Inventories

Inventory movements contributed significantly to the swings in real GNP in 1980 and 1981. In the recession in the first half of 1980, a moderate amount of inventory accumulation took place

which raised the overall inventory-to-sales ratio. Corporations then sought to reduce their levels of inventories in the second half of 1980. The recoveries in consumer spending and export sales led to a substantial reduction of inventories in this period. The inventory decline probably ran beyond intentions and in the first half of 1981 there was an accumulation despite final domestic demand growing at an annual rate of 4 per cent. In the third quarter, final domestic demand fell sharply and led to a large accumulation of inventories. In an effort to reduce inventories due to slow sales and high interest rates, there were widespread layoffs in the goods-producing industries in the fourth quarter. This led to an actual drop in inventory levels in the final quarter. Moreover, the swing from a large accumulation in the third quarter to a reduction in the fourth quarter was a major contributor to the weakness in real GNP in the final quarter.

On an industrial basis, the accumulation in the first half of 1980 occurred at the manufacturing and wholesale levels as retail inventories were allowed to run down. The decline in inventories in the second half of 1980 took place across the three levels of production, retail and wholesale distribution. In 1981, retail inventories declined in the first quarter but increased in the remainder of the year. While manufacturing inventories rose throughout the year, the behaviour of wholesale inventories was marked by successive periods of increases and decreases.

Business Profitability

Corporate profits before taxes declined 8.9 per cent on a national accounts basis in 1981, the first decline since 1975 when profits fell 2.0 per cent. Profits as a share of net national income fell from 16.3 per cent in 1980 to 13.4 per cent in 1981, to mark the lowest proportion since 13.1 per cent in 1977. On a quarterly basis, the decline in profits began in the second quarter of 1981, or one quarter in advance of the beginning of the decline in real GNP.

Industrial profit margins have trended downward from a peak of 8.3 per cent (net income as a percentage of sales) in the second quarter of 1980 to 5.4 per cent in the third quarter of 1981. This downward trend continued through periods of

Chart 4.2

Real Business Inventories and Sales⁽¹⁾



⁽¹⁾Sales include consumer expenditure on goods, business investment (including residential construction), exports of goods, government non-wage current expenditure, and government investment.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001 and Department of Finance.

strong and weak product demand. Operating expenses grew more rapidly in 1981 than in 1980 but weak sales demand meant that not all of the cost increases were passed on to buyers. In 1981, the average increase in industrial operating expenses was 14.7 per cent compared with a rise of 13.0 per cent in current dollar sales. Most expense categories increased more rapidly than in 1980. The cost of goods sold rose 12.5 per cent compared with 9.5 per cent in 1980. The increase in interest expenses jumped to 42.5 per cent in 1981 from 27.6 per cent in 1980. Other expenses were up 14.8 per cent compared with 11.5 per cent in 1980.

The largest declines in profit margins have occurred in the traditionally cyclical industries — mining and manufacturing — rather than in the service industries. Over the period from the second quarter of 1980 to the end of 1981, mar-

gins fell sharply in the metal and mineral industries in the mining sector, and in the paper and allied products, machinery, transportation equipment, non-metallic and petroleum and coal industries in the manufacturing sector. The declines in the service sector were mainly in wholesale and retail trade.

Sources and Uses of Funds

The analysis of the financing of the investment boom in a cyclical economy during a period of high interest rates can be carried out by constructing a statement of the sources and uses of funds. The data in Table 4.6 are drawn from the data on large industrial companies having \$10 million or more of total assets. While it would be preferable to use detailed figures for all non-financial business or for all industrial corporations, these data are not available.

Table 4.6

Sources and Uses of Funds of Large Industrial Corporations

	1978	1979	1980	1981
	(billions of dollars)			
Sources				
Income before taxes	14.9	22.1	26.4	25.4
Net extraordinary income	- 0.2	- 0.1	0.9	0.6
Depreciation allowances	5.9	6.6	7.6	8.7
Share capital	2.7	4.4	6.0	4.2
Long-term debt	5.7	7.0	9.7	19.5
Miscellaneous adjustments and residual	0.3	- 0.8	- 0.7	1.5
Total	29.3	39.1	49.9	59.9
Uses				
Income and other taxes	5.7	8.5	10.4	11.0
Dividends	3.8	5.5	6.4	7.5
Capital investment	13.8	18.2	24.1	28.6
Intercompany investment	1.7	3.5	6.4	10.8
Other long-term assets	0.8	- 1.1	- 1.4	1.3
Working capital ⁽¹⁾	3.5	4.5	4.0	0.7
Total	29.3	39.1	49.9	59.9

⁽¹⁾ Working capital is a net concept defined as current assets minus current liabilities. Short-term debt is a component of current liabilities and thus does not appear separately as a source of funds.

Source: Statistics Canada, *Industrial Corporations Financial Statistics*, quarterly, cat. 61-003.

Income before taxes, or profits, is the main source of funds for industrial corporations. Profits rose sharply in 1978 and 1979, as real GNP increased 3.7 and 3.0 per cent respectively in those two years. Industrial profits rose again in 1980 even though the level of real GNP was unchanged from 1979. Profits declined in 1981 as the economy entered a recession in the second half of the year. Depreciation allowances, a second source of internal financing, tend to increase each year, reflecting the stock of investment in place. Variations in the yearly growth rate of these allowances occur mainly from possible changes in the tax treatment for depreciation and rapid changes in recent investment flows. The weakening in the availability of internal financing, together with the continued growth in fixed investment in 1981, meant that there was a greater need to use external funds. There was a substantial increase in the use of long-term debt⁽¹⁾ (defined as having a maturity of more than one year) as a source of funds, as shown in Table 4.6. Share capital, which had risen as a share of external financing in 1979 and 1980, declined in 1981 as the stock market weakened.

The main use of funds is for capital expenditures to increase or to improve productive capacity

and efficiency. The strength of the investment boom can be seen in the sharp rise in expenditures between 1978 and 1981. Taxes are normally the second largest use of funds, accounting for about 20 per cent of the total use of funds. The third most important use of funds in 1980 and 1981 was inter-corporate investment and takeovers both in Canada and abroad. An important element in the use of funds is the change in working capital — the change in current assets less current liabilities. While working capital should normally increase to reflect the growth in size of companies, there are three reasons for sharp short-term swings in this measure. First, in the early stages of an economic expansion, corporations may decide initially to invest undistributed profits in short-term funds as a form of saving to finance later investments. This process initially would tend to increase the amount of working capital. Second, as the investment program begins, these short-term investments may then be used along with other sources of funds to finance the spending, which would tend to reduce working capital if the accompanying external financing was not in the form of short-term debt. Third, in an environment of volatile interest rates, companies may step up their use of short-term debt. These three factors were at work over the

Table 4.7
Selected Financial Ratios⁽¹⁾ of Large Industrial Corporations

	1977	1978	1979	1980	1981
	(ratios)				
Internal funds/capital outlays	0.77	0.82	0.83	0.70	0.57
Liquid assets/current liabilities	0.89	0.94	0.90	0.87	0.83
Total debt/equity	1.23	1.26	1.26	1.26	1.35
	(per cent)				
Profit margin on sales	7.3	8.1	10.3	9.7	6.8
Interest charges as share of operating expenses ..	1.8	1.9	2.0	2.2	3.3

⁽¹⁾ The ratio of internal funds to capital outlays is based on full-year data for 1977 to 1980 and on data for the first three quarters of 1981. All other ratios are calculated for the third quarter of each year for purposes of comparability.

Source: Statistics Canada, *Industrial Corporations Financial Statistics*, quarterly, cat. 61-003; and Department of Finance.

⁽¹⁾ For a discussion of the growth in short-term borrowing see Chapter 3 and footnote 1 of Table 4.6.

period from 1978 to 1981 as working capital rose sharply in 1979, increased less rapidly in 1980 and increased by a much smaller amount in 1981. Dividends, the fourth major use of funds, trended upwards in dollar terms between 1978 and 1981 but declined as a share of the use of funds.

Financial Ratios

Financial positions of large Canadian industrial corporations have begun to show some strain, reflecting the pressures of financing the mature stage of an investment program in a period of high interest rates, declining sales and falling profits. In 1981, there was a further reduction in corporate internal financing of new fixed investment as evidenced by the fall in the ratio of internal funds to capital outlays (Table 4.7). As a counterpart to this decline, there was an increase in corporate indebtedness to credit markets in 1981 as shown by the rise in the total debt-to-

equity ratio. As well, there was a continuation of the downward trend in corporate liquidity as measured by the ratio of liquid assets to current liabilities. In 1981, this development was due to a decline in liquid assets and a rise in current liabilities while in 1980 the decline in the ratio was due to a moderate increase in liquid assets compared with a larger increase in current liabilities.

While the above examination of financial ratios suggests that there is some strain for the average large industrial corporation in Canada, the ratios do not suggest a position of extreme difficulty. The squeeze on the liquidity ratio normally occurs at this stage of the business cycle. This ratio normally increases once the economy enters the expansionary phase of a cycle. Debt ratios remained stable from 1977 to 1980 as both debt and equity expanded at the same pace. During 1981, equity again increased although at a slower pace than total debt. Moreover, preliminary investment intentions for 1982 indicate significant strength in spending plans.

Appendix

Inflation-Adjusted Savings and Disposable Income

It is useful to consider the special impact of high nominal interest rates and inflation on real investment income. Conventional estimates of real disposable income include total nominal investment income with other types of nominal income and then "deflate" the total nominal income series by some price index, such as the CPI or the consumer expenditure implicit price index. But investment income, or income from capital, is affected in an additional way by inflation. Part of interest receipts may be regarded as an inflation premium which in effect compensates lenders for the expected decline in the purchasing power of their principal which is fixed in current dollar terms. The inflation premium component amounts to a repayment of a part of the real value of the loan; for analytical purposes, it should not be included among the income of

lenders and expenditure of borrowers. Thus, in the case of investment income, an appropriate analytical procedure is first to calculate an "inflation-adjusted" series in current dollars, which is obtained by subtracting the decline, measured in current dollars, in the real value of the principal on which the interest was earned from the recorded nominal investment income. This inflation-adjusted investment income series is then included with other nominal income components, wages and salaries, farm incomes, etc., and the resulting inflation-adjusted personal income series, still in current dollars, is then deflated by a price index to obtain a real or constant dollar income series.

With the personal sector being at the same time a lender and a borrower, both real personal disposable income and personal expenditure are over-estimated in periods of inflation in the absence of special adjustment to investment

Table 4.8

**Illustrative Inflation-Adjusted Personal Savings Rate and
Growth Rate of Real Personal Disposable Income⁽¹⁾**

	Savings rate		Real personal disposable income	
	Measured	Inflation-adjusted	Measured	Inflation-adjusted
	(per cent)		(percentage change)	
1963	5.4	4.3	4.7	5.3
1964	4.2	2.8	4.6	4.2
1965	5.5	3.6	7.6	6.4
1966	6.7	3.8	6.5	4.1
1967	6.3	3.4	4.5	4.5
1968	5.6	2.1	4.3	3.1
1969	5.4	2.1	4.7	4.9
1970	5.3	3.4	2.4	5.2
1971	5.9	3.6	8.4	7.5
1972	7.4	4.2	9.2	6.8
1973	9.1	2.9	9.1	1.4
1974	9.9	1.1	6.6	- 0.4
1975	10.9	5.5	6.2	14.5
1976	10.0	6.5	5.3	10.2
1977	9.7	4.8	2.5	- 1.7
1978	10.8	6.5	4.3	4.8
1979	10.3	4.7	2.1	- 1.8
1980	10.1	2.6	1.1	- 2.0
1981	11.6	4.7	4.1	5.6
Average				
1963-1972	5.8	3.3	5.7	5.2
1973-1981	10.3	4.4	4.6	3.4

⁽¹⁾ Using the deflator for consumer expenditure on goods and services.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

income. Overall though, the personal sector is a net lender to other sectors of the economy. The inflation-caused measurement error is, therefore, larger in the case of personal income than in the case of personal expenditure estimates, and as a result the personal savings rate is overstated.

As in other areas of inflation accounting, there is no consensus as to the precise approach which should be taken to adjust national accounts personal disposable income and savings data; there is thus considerable uncertainty as to the portion of interest receipts and payments which should

be treated as corresponding to the inflation premium. One approach would base the adjustment on the expected rate of inflation prevailing at the time of issue of each element of the portfolio of financial assets and liabilities of the personal sector. This involves the difficult problem of measuring expected inflation at a particular point in time and requires detailed information on the maturity structure of personal assets and liabilities.

An alternative approach to this adjustment is to base it on the decline in the real value of personal sector holdings of fixed-yield financial assets

(both interest and non-interest bearing), using the actual rate of inflation during the year. Table 4.8 illustrates the impact of an adjustment based on the latter approach with actual inflation measured by the implicit price index for consumer expenditure. It should be stressed that this approach results in a considerably larger adjustment in periods when inflation accelerates than would the approach based on expected inflation, where the inflation premium may reflect inflation expectations several years in the past.

Personal sector holdings of financial assets (not including equity capital) amounted to \$357.6 billion at the beginning of 1981, and net assets totalled \$161.9 billion. With an increase in the consumer expenditure implicit price index of 10.5 per cent during 1981 (fourth quarter over fourth quarter), adjustment for inflation reduces personal disposable income by \$37.5 billion or 17

per cent and savings by \$17 billion or 66 per cent in 1981. These adjustments, which are similar to those made for other years of the post-1973 inflationary period, reduce the personal savings rate in 1981 from 11.6 per cent to 4.7 per cent. Comparing the period 1973-1981 with the period 1963-1972, the average "measured" personal savings rate increased by 4.5 percentage points to 10.3 per cent, while on an inflation-adjusted basis the increase was 1.1 percentage points to 4.4 per cent. Inflation adjustment also reduces the growth in real personal disposable income during 1973-1981. The "measured" annual growth in real disposable income slowed from an average of 5.7 per cent during 1963-1972 to 4.6 per cent during 1973-1981, a decline of 1.1 percentage points. The inflation-adjusted series for real personal disposable income shows a 1.8-percentage-point decline to 3.4 per cent over the same period.

5. The Labour Market

In 1981, the labour market in Canada, mirroring the real growth performance of the economy, was characterized by two quarters of strong performance followed by two quarters of weakness. Employment advanced strongly in the first two quarters, stagnated in the third and declined rapidly in the fourth quarter. The seasonally adjusted national unemployment rate generally declined until August when it reached 7.1 per cent, but jumped very quickly to 8.2 per cent in September. The fourth-quarter unemployment rate averaged 8.4 per cent compared to the 1981 average of 7.6 per cent and the 1980 value of 7.5 per cent. Employment increased 2.6 per cent in 1981 following the 2.8-per-cent growth in 1980. Total employment as a proportion of the working-age population increased to a record 59.8 per cent in 1981 from 59.2 per cent in 1980. The number of persons unemployed increased to 898,000 in 1981 from 867,000 in 1980 as the 2.7-per-cent growth in the labour force more than offset the employment gain. Table 5.1 summarizes major changes in labour market conditions in the last decade.

Labour Supply

A dominant characteristic of the Canadian labour market in the 1960s and 1970s was the marked increase in the labour force, which outpaced that of other OECD nations. The unusual growth of the labour force in Canada over that period stemmed from the growth of the domestic working-age population due to the maturing of those born during the baby boom, and from increases in participation rates — particularly for youths and adult women. These factors also led to increases in the share of the labour force accounted for by youths and adult women, as is shown in Table 5.2. However, changes in the growth patterns of various components of the labour force in 1980 and 1981 again indicate a change in the composition of the labour force, which can be expected to continue into the early 1980s. The major elements of this compositional shift are a decline in the share of the youth population and a further increase in the share of adult women in the labour force.

The labour force grew at an average annual rate of 3.2 per cent in the 1970s, 2.8 per cent in 1980, and a marginally lower 2.7 per cent in 1981. The slowdown in 1981 was entirely attributable to the continuing slow growth of the youth labour force, partly reflecting the transition of the postwar baby boom generation into the adult age group.

Growth in the population of youths — those between 15 and 24 years of age — has slowed considerably since 1974, and in 1981 the youth population actually declined in Canada. Growth of the youth labour force has exceeded population growth of youths throughout the period, reflecting increased participation rates, but slowed markedly from an average annual 4.6 per cent during the period 1970-1975, and 2.7 per cent during 1976-1980, to 1.9 per cent in 1980, and only 0.4 per cent in 1981.

The 2.0-per-cent increase in the adult male labour force in 1981 was more than accounted for by the 2.3-per-cent increase in the adult male population. Their participation rate declined, as it has since 1966, to 80.3 per cent in 1981.

The growth in the labour force of adult women continued to be a dominant factor in Canadian labour force growth, increasing 6.1 per cent in 1981. In contrast to adult men, where population growth accounted for all of the labour force growth, population growth accounted for only 39 per cent of the increase in the adult female labour force. The major determinant of the extraordinary growth of the labour force of adult women continued to be the increase in their participation rate, which rose from 46.2 per cent in 1980 to 47.9 per cent in 1981. Many factors account for this change, including slower family formation in Canada, changing attitudes towards work, increasing flexibility in child care arrangements and other institutional, economic and cultural factors encouraging women to enter the work force.

Another major feature of the Canadian labour force in the last few years has been the changing regional distribution of its growth, as seen in Table 5.3. One major determinant of these

Table 5.1
Labour Force Developments

	Average		1976	1977	1978	1979	1980	1981
	1970-75	1976-80						
(percentage change)								
Employment growth								
Total	2.9	2.8	2.1	1.8	3.4	4.0	2.8	2.6
Adult males	1.6	1.6	1.3	1.0	1.7	2.6	1.5	1.9
Adult females.....	4.8	5.3	5.1	4.0	6.6	5.0	6.0	5.9
Youths (15-24 years)	3.7	2.4	0.7	1.0	3.1	5.6	1.6	0.3
Population growth								
Total	2.4	2.0	2.3	2.1	1.9	1.8	1.8	1.6
Adult males	2.2	2.1	2.3	2.1	1.9	1.9	2.2	2.3
Adult females.....	2.4	2.4	2.5	2.4	2.3	2.3	2.4	2.4
Youths.....	2.7	1.3	2.3	1.7	1.3	0.8	0.2	- 0.5
Labour force growth								
Total	3.3	2.9	2.3	2.9	3.7	3.0	2.8	2.7
Adult males	1.8	1.7	1.3	1.8	2.1	1.9	1.7	2.0
Adult females.....	5.3	5.3	5.3	4.8	7.0	4.2	5.5	6.1
Youths.....	4.6	2.7	1.5	3.0	3.2	3.7	1.9	0.4
(per cent)								
Participation rates								
Total	59.3	62.5	61.1	61.5	62.6	63.3	64.0	64.7
Adult males	82.5	80.9	81.1	80.9	80.9	80.9	80.5	80.3
Adult females.....	37.0	43.6	41.1	42.1	44.0	44.8	46.2	47.9
Youths.....	59.4	64.7	62.4	63.2	64.4	66.2	67.3	67.9
Unemployment rates								
Total	6.0	7.7	7.1	8.1	8.4	7.5	7.5	7.6
Adult males	3.9	4.7	4.2	4.9	5.2	4.6	4.8	4.9
Adult females.....	5.4	7.0	6.6	7.4	7.7	7.0	6.5	6.7
Youths.....	10.5	13.6	12.7	14.5	14.6	13.1	13.3	13.4

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001.

changing shares has been the migration of labour to Alberta and British Columbia. This, together with relatively large increases in participation rates, has led to growth in the labour force in these two provinces which is far above the national average.

Labour Demand

Changes in output growth in Canadian goods- and services-producing industries influenced

changes in employment growth throughout 1981. Employment expanded 2.6 per cent in 1981, led by strength in employment in the first half of the year. Over all, 278,000 jobs were created in 1981.

Employment had increased 2.8 per cent in 1980, a strong pace considering that real GNP remained stagnant. This strong surge in employment can be partly explained by the fact that the slowdown mainly affected the goods-producing

Table 5.2
Composition of the Canadian Labour Force
(Shares of total labour force)

	1955	1960	1965	1970	1975	1980	1981
	(per cent)						
Adult males	63.1	60.8	57.0	52.2	48.2	45.5	45.2
Adult females	14.1	17.3	19.6	22.4	24.7	27.7	28.7
Youths (15-24 years)	22.8	21.9	23.4	25.4	27.1	26.8	26.2

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001.

Table 5.3
Regional Growth Rates of Source Population,
Participation Rates and the Labour Force

	Average 1970-1980			1980			1981		
	Labour force	Population	Participation rate ⁽¹⁾	Labour force	Population	Participation rate ⁽¹⁾	Labour force	Population	Participation rate ⁽¹⁾
	(percentage change)								
Newfoundland	4.4	2.3	2.0	2.9	2.3	0.4	2.3	2.2	0.0
P.E.I.	3.9	2.3	1.5	1.9	1.1	0.2	0.0	1.1	- 0.4
Nova Scotia	3.0	1.9	1.0	3.1	1.6	1.0	1.1	1.1	- 0.1
New Brunswick.....	3.5	2.3	1.2	3.2	2.0	0.7	2.4	1.4	0.7
Quebec	2.6	1.6	1.0	2.8	1.2	0.9	1.3	1.0	0.2
Ontario	3.2	2.2	1.0	1.8	1.5	0.2	2.6	1.2	0.9
Manitoba.....	2.2	1.2	1.0	1.7	0.3	0.9	1.2	0.7	0.4
Saskatchewan	2.5	1.1	1.3	2.3	1.7	0.3	2.3	1.4	0.6
Alberta	4.9	3.8	1.0	5.6	4.1	0.9	6.0	4.1	1.3
British Columbia.....	3.9	3.1	0.8	4.5	2.9	1.0	4.6	3.0	1.0
Canada	3.2	2.2	1.0	2.8	1.8	0.7	2.7	1.6	0.7

⁽¹⁾ Absolute percentage point changes in participation rates.

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001.

Chart 5.1

Participation and Unemployment Rates



sector, leaving the services sector relatively untouched. As can be seen in Chart 5.2, much of the employment growth in 1980 originated in the services sector, which is traditionally less sensitive to economic cycles. Output in this sector, as measured by real domestic product, grew strongly throughout 1980 despite the economic downturn. In contrast, output of goods declined in the first half of 1980, as did employment in these industries.

Employment growth in 1981 benefitted from the continued strength of the services sector in Canada throughout the year, and in the first part of the year from the strong recovery of output and employment in goods-producing industries which began in August 1980, as seen in Chart 5.2.

From January 1981 to the employment peak in August 1981, employment in Canada averaged 3.1 per cent above its level in 1980. During this period of recovery, job creation was about equally divided between goods- and services-producing industries, an above-average share for goods-producing industries in job creation compared to other recoveries in the last decade. Adult females obtained nearly 75 per cent of the new jobs, and youth employment declined during this period — an unusual development considering that in years of expansion during the past decade, youths have accounted for up to a third of the increase in employment. About 70 per cent of the jobs created during the period of January to August, 1981, were full-time jobs. Adult male employment growth was split nearly equally between full- and part-time jobs, while 75 per cent of the growth in adult female employment was accounted for by full-time jobs.

Output growth in the services-producing and goods-producing sectors peaked at the end of the second quarter. Despite the economic slowdown in the U.S., the impending downturn in Canada, and historically high interest rates, employment continued to grow strongly until August. It is possible that the postal strike in Canada in July and early August created uncertainty for some firms as to the actual extent of the decline in new orders and sales. This could have contributed to the surprising growth of employment into the late summer. However, one indicator of the decline in employment intentions

can now be seen in the unprecedented weakness of youth employment throughout the summer, showing that firms were probably reluctant to create summer jobs before beginning layoffs.

Between July and December real domestic product fell 4.8 per cent in the goods-producing industries, and increased 1.1 per cent in the services-producing industries. Although output of services is less sensitive to the decline in domestic and foreign demand, the behaviour of this sector in 1981 contrasts with that of the economic downturns of 1980 and of 1974-1975. As can be seen in Chart 5.2, this sector shows relatively less strength as a source of employment growth in this downturn due to the combined effects of lower consumer expenditure on discretionary services, such as travel and other personal services, and a slowdown in housing and financial activity.

Services-producing industries accounted for 76 per cent of 1981 job creation, but even with the sharp downturn of the last half of the year and the loss of many goods-producing jobs, the share of new jobs going to goods-producing industries more than doubled from that of 1980.

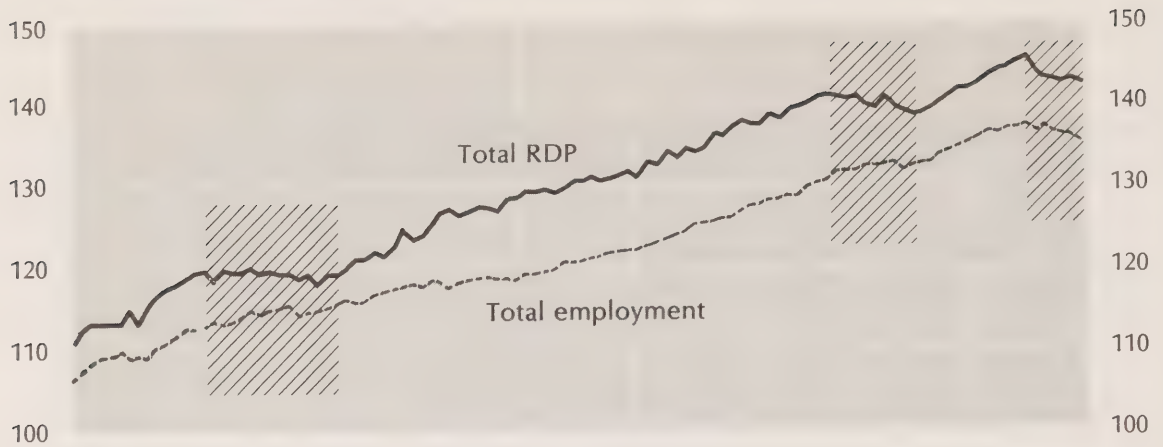
Although the demand for labour in 1981 underwent significant cyclical changes, and ended with considerable slack in many industrial labour markets, several industries in Canada experienced a demand for labour that exceeded the supply of suitable workers. Industries such as electronics, the aerospace industry, mining (in remote areas), scientific research, some forestry sectors, and energy-related projects indicated publicly in 1981 that their growth potential was, or would in the future be, constrained by a lack of suitable skilled workers.

Labour Market in the Second Half of 1981

It appears that the employment impact of the downturn in demand and output in 1981 was more severe in both Canada and the U.S. than in the previous major recession of 1973-1975. Table 5.4 provides a comparison of some major labour market variables in Canada and the U.S. for the first six months following the peaks in industrial production in 1981, and in 1973-1975. In both countries, in 1981, the incidence of labour hoarding was very weak compared to the

Chart 5.2

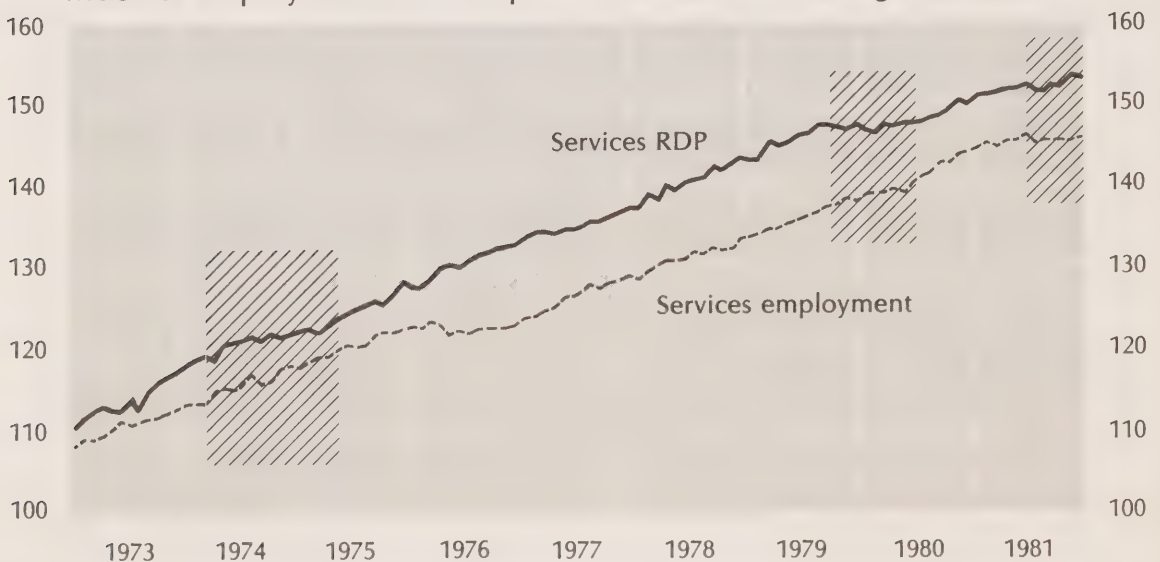
Index of Total Employment and Output



Index of Employment and Output in Goods-Producing Industries



Index of Employment and Output in Services-Producing Industries



Source: Statistic Canada, *The Labour Force*, monthly, cat. 71-001; *Index of Real Domestic Product by Industry*, monthly, cat. 61-005.

Table 5.4

**A Comparison of Cumulative Changes in Labour Market Variables
in the First Six Months Following Peak Industrial Output**

Canada	March 1974—Sept. 1974	July 1981—Dec. 1981
Cumulative change in:		
Total employment	138,000	– 164,000
Labour force	167,000	– 4,000
Unemployment	29,000	160,000
	(percentage points)	
Unemployment rate	0.2	1.3
	(percentage change)	
Industrial production	– 3.0	– 5.9
United States	Nov. 1973—May 1974	July 1981—Dec. 1981
Cumulative change in:		
Total employment	400,000	– 1,800,000
Labour force	800,000	200,000
Unemployment	400,000	2,000,000
	(percentage points)	
Unemployment rate	0.3	1.9
	(percentage change)	
Industrial production	– 0.2	– 6.8

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001 and *Indexes of Real Domestic Product by Industry*, monthly, cat. 61-005; U.S. Department of Labour, *Employment and Earnings*; and Board of Governors of the Federal Reserve System, *Federal Reserve Bulletin*.

earlier stages of other recessions. Efforts to reduce inventories to levels consistent with demand began earlier in the recent downturn, and this has contributed to the substantial drop in output and employment.

In Canada, in 1981, employment grew for two months past the output peak, to August, and then adjusted rapidly to declining demand. There were 164,000 jobs lost between July and December. As the labour force declined 4,000 during this period, the number of unemployed increased by 160,000 and the unemployment rate rose from 7.3 per cent in July to 8.6 per cent in December. By comparison, in the first six months following the peak in industrial production in the

1974-1975 recession, 138,000 jobs were created (although mainly in the services sector), but labour force growth outpaced job creation to lead to a moderate increase in the unemployment rate from 5.2 to 5.4 per cent.

The accumulation of inventories during the current slowdown fell far short of that observed in 1974. Substantial reductions in output and employment did occur nine months into the recession in 1974, but only after this inventory accumulation had taken place. Several factors have likely contributed to this difference between the two periods. Higher interest rates in 1981 than in 1974 have increased the opportunity costs of high inventories, and better techniques

of inventory management have likely contributed to earlier inventory adjustment.

In the U.S., in 1981, 1.8 million jobs were lost between July and December. This decline in employment, accompanied by slight labour force growth, led to an increase in unemployment of 2 million persons, and an increase in the unemployment rate from 7.0 to 8.9 per cent during that period. As in Canada, the U.S. experience in 1981 contrasts sharply with the first six months of the 1973-1975 recession when total employment increased by 400,000 jobs and the labour force grew by 800,000 persons, causing the unemployment rate to increase by only 0.3 percentage points. In the U.S., output and employment adjustment in 1981 has also been more rapid than in 1973-1975. As was the case in Canada in that earlier period, the employment peak also occurred nine months into the recession and large adjustments in employment did not occur within one full year following the peak in industrial production.

Compared to the early stages of the 1974-1975 recession, the current cutback has not only been more substantial in both countries, but declines

in employment relative to output have been more pronounced, indicating a decline in labour hoarding.

Work Stoppages in 1981

Data on work stoppages in 1981 are only available for the first 10 months. Between January and October 1981, there were 923 work stoppages in Canada involving 311,000 workers, for a total of 8,061,000 person-days not worked, as indicated in Table 5.5. The percentage of estimated working time lost during this period averaged 0.38 per cent, which is slightly less than the average 0.41 per cent time lost during the corresponding period in 1980, and slightly above the 0.36-per-cent average for the period 1976-1981.

During 1981, strike activity in Canada, measured in terms of person-days lost, increased slightly in March and peaked in July and August. These periods were dominated by strikes involving large work forces. In February and March, British Columbia suffered from prolonged strike activity in its public sector. In July and August, lengthy

Table 5.5
Time Perspective on Work Stoppages

	1976	1977	1978	1979	1980	January to October 1980	1981
Number of stoppages beginning during year	921	938	1,004	987	952	921	923
Workers involved (000)	1,571	218	402	463	441	417	311
Person-days not worked (000)	11,610	3,308	7,393	7,834	8,975	8,176	8,061
Estimated working time lost (per cent)	0.55	0.15	0.34	0.34	0.38	0.41	0.38
Persons in work ⁽¹⁾ stoppages/persons negotiating	0.09	0.03	0.06	0.16	0.22	0.20	0.19
Number of work ⁽¹⁾ stoppages/number of negotiations	0.14	0.06	0.07	0.12	0.12	0.13	0.17

⁽¹⁾ Data are available only for major establishments (50 or more workers) excluding the construction industry, and are calculated for the first three quarters of 1980 and 1981, rather than from January to October.

Source: Labour Canada, *Work Stoppages*, monthly, ISSN-0228-1678 and *Collective Bargaining Review*, monthly, ISSN-0010-0803.

strikes occurred in the Canada Post Office and the iron and steel, coal and forestry industries. The strike in the iron and steel industry lasted throughout September and into October.

Given the size of these industries and the primary nature of their outputs, the effects on the economy from these strikes were potentially large, especially through interdependence with other industries. However, some of these effects were reduced because of pre-strike inventory build-up and depressed markets. There were few reports of shortages from the forest industry strikes, as sufficient paper and lumber inventories existed in North America and Europe, and due to weakening in the housing sector. Many of the shortages which were expected to arise from the work stoppages in the iron and steel industry failed to materialize due to declining demands of the auto and appliance industries.

Peaks in strike activity usually occur concurrently with peaks in bargaining activity. Therefore, year-to-year comparisons of person-days lost are not very revealing as an indicator of the tendency to strike. Table 5.5 also provides a measure of the incidence of strikes among bargaining workers for a subset of Canadian firms (where data are available). This measure can be interpreted as an indicator of strike activity among bargaining workers, a better measure of strike activity than strike data relative to all workers in the economy. According to this measure, the strike performance in the first three quarters of 1981 at 0.20 per cent was similar to that in 1980 over the same period. However, the number of negotiations which resulted in strikes, another measure of strike activity, increased in 1981 to 0.17 per cent from 0.13 per cent in 1980. A combination of these last two measures of strike activity indicates a higher number of work stoppages involving smaller work forces.

6. Sectoral and Regional Developments

The economic recovery in the first half of 1981 was generally shared by all major sectors except forestry and mining where export demand continued to decrease, and in all regions except British Columbia where lumber exports declined further. Ontario particularly benefitted as manufacturing output rose in the first half of the year and experienced a higher growth rate than the national average. Growth in real output is estimated to have been the strongest in the Prairie region, reflecting both the continuation of the energy boom and sharply increased grain crops in Manitoba and Saskatchewan. Real growth was moderate in Quebec, partly because of the decreased output in mining and forestry, and in the Atlantic region. The downturn in economic activity in the second half of the year generally affected all regions and all sectors, and labour disputes in some industries also curtailed output.

Sectoral Developments

Agriculture

Farm cash receipts, especially for principal crops, increased strongly in 1981. According to current estimates, farm production increased more rapidly than in 1980. Grain production increased substantially in 1981 as there were record crops of wheat, barley and rye because of considerable increases in acreages sown and good yields per acre; however, oilseed production declined. Fruit crops were generally lower than in 1980, while vegetable crops increased slightly. Canadian hog production declined slightly and exports of live hogs decreased. Slaughtering of Canadian cattle grew moderately in 1981. Average farm employment for 1981 increased slightly, particularly during the second half of the year.

Fishing

Since the introduction of the 200-mile limit in January 1977, output in the fishing sector has generally increased strongly, especially on the East coast, in response to increased quotas to Canadian fishermen and the recovery of fish stocks due in part to fisheries management

efforts. In 1980, however, fish catches were down mainly because of labour disputes in Newfoundland and a sharp decline in salmon landings in British Columbia as stocks were down. According to preliminary data for 1981, both the volume and value of landings increased strongly on both the East and West coast. On the Atlantic coast, despite financial difficulties experienced by some fish processing firms which resulted in layoffs during the year, landings, particularly of groundfish and the relatively higher-priced scallops, lobsters and queen crab, contributed to the higher output in the fishing sector, while on the Pacific coast there were sharply increased catches of pink and sockeye salmon.

Forestry

Output in the forestry sector in 1981 declined further and at a faster rate than in the previous year. This cyclical decrease, likewise evident in the closely related wood and pulp and paper products manufacturing industries, brought the level of output in forestry to only slightly above that in 1976. Export demand for lumber and lumber prices fell further as the number of housing starts in the United States continued to decline sharply, largely as a consequence of high mortgage interest rates. Moreover, there were labour disputes during the summer in British Columbia. Pulpwood production, on the other hand, expanded during the year as newsprint production increased, while output of other papers and paperboards declined. Although the export of newsprint to the United States declined, exports to the United Kingdom, Latin America and Asia increased strongly.

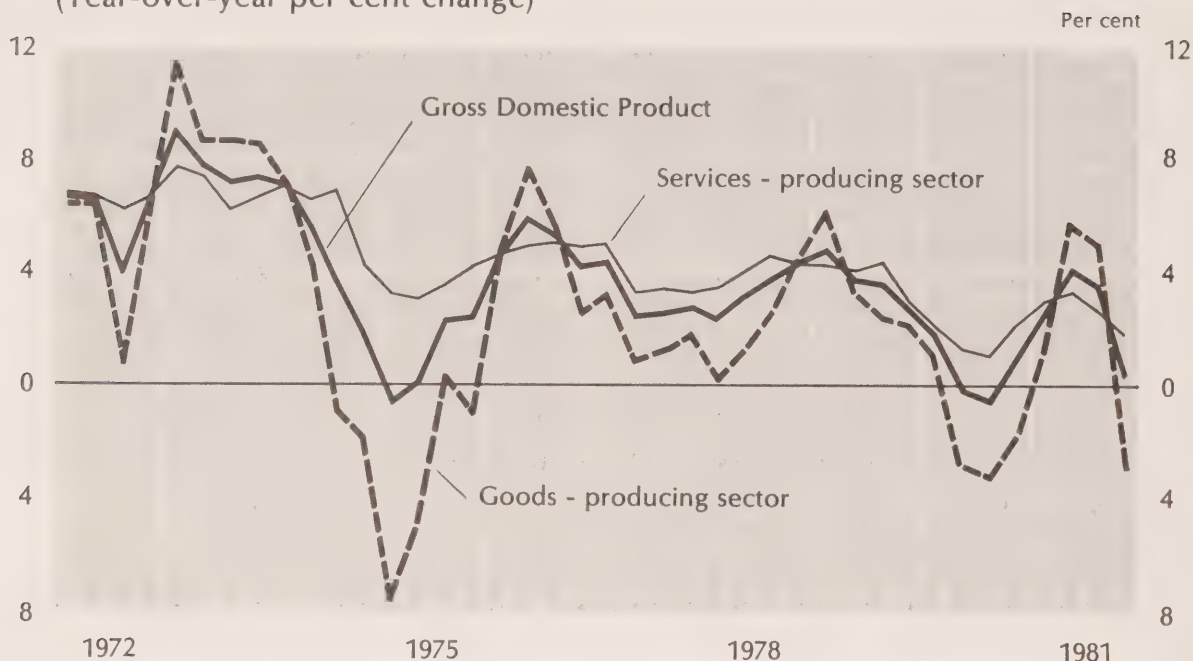
Mines

Canadian mineral production declined substantially in 1981, mainly due to depressed domestic and international markets. In general, prices of industrial raw materials fell considerably.

Among metals, nickel and iron ore production fell substantially and copper output declined moderately. Canadian lead production increased moderately, recovering from the effects of a labour

Chart 6.1

Gross Domestic Product in Constant (1971) Prices (Year-over-year per cent change)



Source: Statistics Canada, *Gross Domestic Product by Industry*, monthly, cat. 61-005.

dispute in 1980. The world zinc supply declined moderately in 1981 due to strikes in the U.S. and Ireland, and the resulting price increase caused a marked increase in Canadian production which had been affected by a labour dispute in 1980.

The decline in the production of fossil fuels was the largest in the mining sector. Crude oil production fell substantially, partly as a result of the reduction in Alberta production from March to September 1981. Canadian natural gas output declined moderately as a result of a fall in exports. Despite a three-month labour dispute in Nova Scotia coal mines, Canadian coal production rose significantly in 1981 owing to increased Japanese demand, combined with an expansion of productive capacity in British Columbia and Alberta.

Output of non-metallic minerals other than coal declined moderately in 1981. Canadian potash

production decreased moderately as a result of a fall-off in both Canadian and world demand and also the high level of Canadian potash inventories. Asbestos output fell sharply, owing to a decline in activity in the American construction and housing industries.

Manufacturing

For the year 1981 as a whole, manufacturing production partly recovered from the decline in the preceding year. However, the increase occurred in the first half of the year, while in the second half output fell in response to the decrease in demand, and there were also work stoppages due to labour disputes, particularly in the wood, paper and steel industries. Average employment in the sector increased slightly in 1981 but by the end of the year employment was down, particularly in Quebec and the Atlantic region, from the level a year earlier.

Table 6.1
Main Economic Indicators by Sector

Gross Domestic Product (in Constant 1971 Prices)			
	Share of total in 1981	1980	1981
	(per cent)	(percentage change)	
Agriculture	2.6	5.4	8.5
Non-agricultural primary industries.....	3.5	0.9	- 4.9
Manufacturing	21.7	- 3.1	1.7
Construction	5.9	- 2.0	6.5
Total goods-producing sector	33.7	- 1.9	2.3
Transportation, storage, communication and utilities	14.1	2.4	3.1
Trade	12.4	- 0.1	0.7
Finance, insurance and real estate	13.1	3.1	2.9
Community, business and personal services.....	19.9	1.2	3.6
Public administration	6.8	1.1	1.8
Total services sector	66.3	1.6	2.6
Total all industries	100.0	0.3	2.5

Employment

	Share of total in 1981	1980	1981
	(per cent)	(percentage change)	
Agriculture	4.4	- 1.3	1.5
Non-agricultural primary industries.....	2.9	8.6	6.0
Manufacturing	19.4	1.7	0.7
Construction	5.9	- 3.3	4.2
Total goods-producing sector	32.6	0.9	1.9
Transportation, storage, communication and utilities	8.3	0.1	0.3
Trade	17.1	1.4	2.4
Finance, insurance and real estate	5.4	10.0	- 2.6
Community, business and personal services.....	29.6	4.5	5.2
Public administration	7.0	5.8	2.9
Total services sector	67.4	3.7	3.0
Total all industries	100.0	2.8	2.6

Source: Statistics Canada, *Gross Domestic Product by Industry*, monthly, cat. 61-005 and *The Labour Force*, monthly, cat. 71-001.

The increase in manufacturing output for the year was mainly in the durable goods industries. Notable increases occurred in the output of the electrical products, furniture and fixtures, and machinery industries. This reflected higher domestic demand, as capital expenditures on machinery and equipment rose and construction activity recovered from the 1980 decline. It also reflected increased exports as a result of a turnaround in business investment in equipment in the United States after the sizeable reduction in the preceding year. Moreover, domestic demand for some of these products also benefitted earlier in the year from the temporary suspension of the retail sales tax in Ontario. In turn, these developments had a beneficial effect on the related primary metals and metal fabricating industries, although the output of the primary metals industry was adversely affected by a long strike in the steel industry as well as a slowdown in demand later in the year. The production of motor vehicles and parts increased in 1981, after having experienced substantial reduction in 1979 and 1980, but this was entirely due to an increase of 16 per cent in the volume of parts and accessories as production of motor vehicles declined. The demand for North American-made passenger cars fell considerably in Canada, while sales of Japanese cars increased by one-half in spite of an agreement with Japan to limit its car exports to Canada. This increased the market share of Japanese cars from almost 15 per cent in 1980 to about 23 per cent in 1981. Exports of passenger cars declined, although export of automotive parts increased. The wood products industry was the only major one among the durable goods industries to have a lower output as a result of a decline in foreign demand and a labour dispute in the summer.

Among the non-durable goods industries, the largest increases occurred in the output of the leather (mainly shoes), textile (following a sharp reduction in 1980) and the food and beverage industries. Production also increased in the tobacco, rubber and plastic and chemical industries. However, output of knitting mills and the clothing industry declined, reflecting weak consumer demand, and the paper and allied products industry was adversely affected by a labour dispute in the summer. The petroleum and coal products industry experienced one of the largest

reductions in output among the manufacturing industries. The prices of petroleum products increased sharply in 1981 and domestic sales, particularly of fuel oil, fell, and as a result there was a large increase in the inventory of finished products.

Construction

Construction activity increased sharply in 1981, as did employment, after the decline in the preceding year. Construction output rose in the first half of 1981 largely due to resumed growth in the residential sector which had experienced a decline in output from 1977 to 1980. Housing starts posted impressive increases in the first and second quarters, largely reflecting mortgage loan approvals made earlier when interest rates were relatively lower. As conventional mortgage interest rates rose to record levels in August and September, the inventory of newly completed and unoccupied units increased in the third and fourth quarters and housing construction fell sharply in the second half of the year. For 1981 as a whole, residential construction recorded its first increase since reaching the peak in 1976, and the growth was largely concentrated in row housing and apartment construction reflecting very low vacancy rates in rental units. In the non-residential segment, engineering construction recorded the highest increase, mainly reflecting pipeline construction. Non-residential building activity was higher, largely the result of commercial construction, whereas highway construction declined again as government restraint programs continued.

Utilities

The output of the utility sector, which is comprised of the electric power industry, gas distribution, and water and other miscellaneous utilities, increased moderately in 1981. This increase was largely concentrated in electric power as gas distribution increased only slightly. Electric power output grew in response to higher levels of production in some manufacturing and mining industries and the continuing substitution of electricity for higher-priced oil; however, relatively mild weather during the first and last three months of the year helped dampen the rate of increase. Deliveries of electric power to the United States

increased, according to preliminary data, reflecting a sharp increase in deliveries from British Columbia related in part to high water conditions early in the year. The rate of increase of gas distribution was below average, in part because of the mild weather during the year; sales of natural gas increased strongly only in Quebec, reflecting the increased market penetration of natural gas in that province.

Transportation, Storage and Communication

Services in this sector in 1981 increased moderately, following relatively slow growth during 1980, and employment rose only slightly. Growth stemmed mainly from higher output in communications, despite the labour dispute by post office workers during the summer. Transportation activity, which recovered slowly during the first half of the year, declined during the second half as railway and water transport decreased as a result of reduced output mainly of metals and minerals, motor vehicles and accessories, wood and paper products. Truck and bus transportation also decreased, reflecting the slower growth in manufacturing output and labour disputes in the Western provinces, as well as in Quebec and Ontario inter-city bus systems. Air transportation and urban transit systems increased at moderate rates, and pipeline transportation recovered as oil production in Alberta was increased.

Trade

Trade activity in 1981 increased relatively slowly, reflecting moderate growth in retail sales and a small decline in wholesale trade, while employment rose somewhat more strongly. The growth in activity took place during the first part of the year when both retail and wholesale trade recovered from the decline during the preceding year, while declines occurred in the final two quarters.

Finance, Insurance and Real Estate Services

The output of this sector increased in 1981 at a slightly slower pace than in 1980, while average employment for the year declined sharply. Strong growth occurred in the output of deposit-taking institutions as the Canadian dollar assets of chartered banks increased faster than in 1980. However, there was slow growth in the volume of rents, as the number of new housing units com-

pleted in 1981 was down from the level of 1980, and a substantial decline in stock market activity as the volume of shares traded fell by one-quarter on the Toronto exchange.

Community, Business and Personal Services

Following weak growth in the preceding year, the output of this sector grew moderately in 1981, reflecting primarily strong increases in health and welfare services and services to business management. Demand for amusement, recreation, accommodation and food increased moderately, in line with the increase in real personal disposable income, while personal services continued to increase slightly, continuing the trend of the late 1970s. Average employment for the year rose sharply, and accounted for more than half of the increase in total employment in the economy.

Public Administration and Defence

On the whole, this sector grew moderately in 1981 compared with 1980. Federal and provincial government services increased, while those of local governments decreased. The growth in employment in 1981 was relatively strong although the level of employment at the end of the year was lower than a year earlier.

Regional Developments

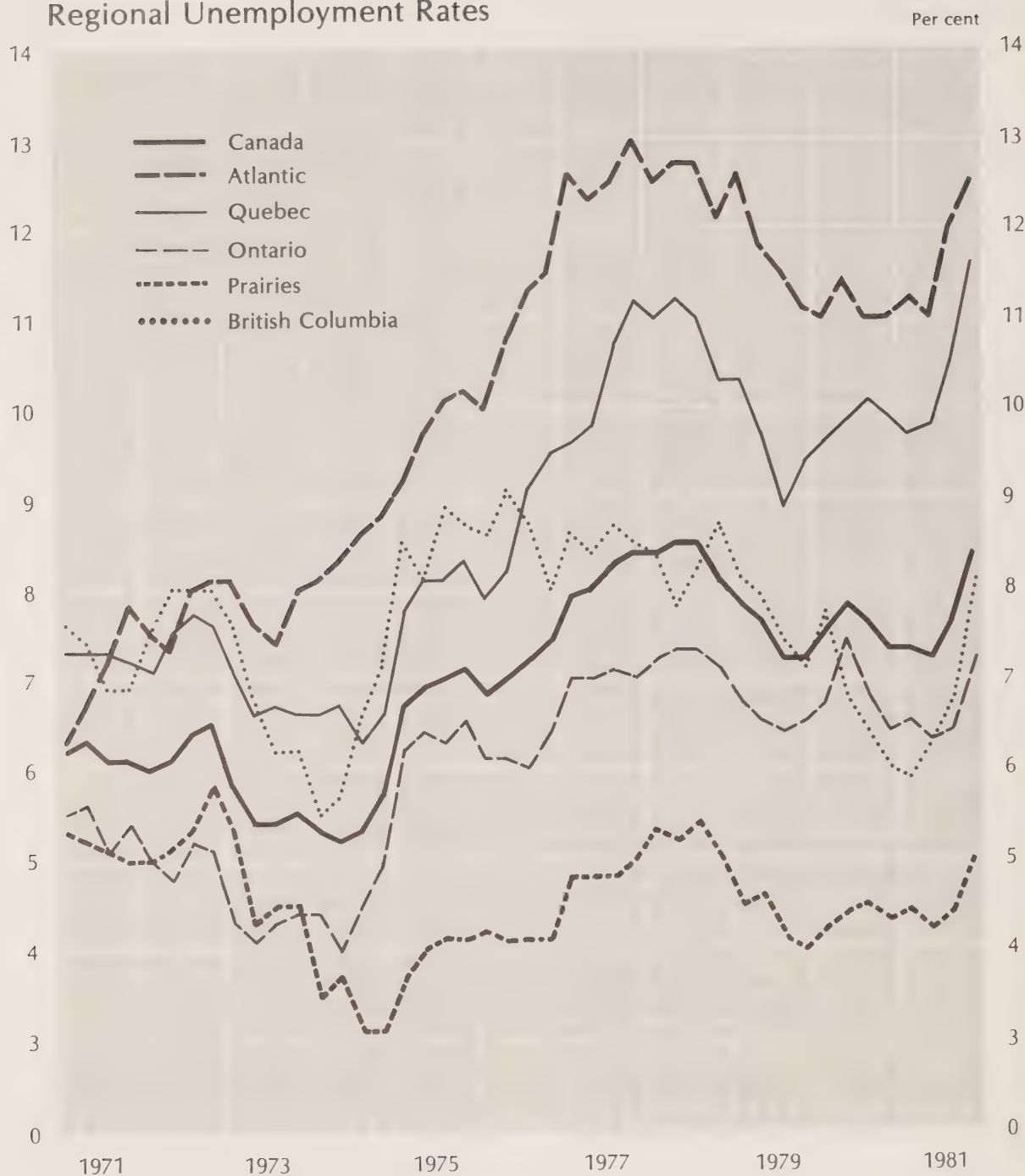
Atlantic Region

Real economic activity in the Atlantic region is estimated to have increased at below the national rate in 1981 following a decline in the previous year. This growth occurred in Nova Scotia and Newfoundland as there was little change in real output in New Brunswick and output decreased again in Prince Edward Island where construction activity declined sharply. Production is estimated to have increased in all major sectors in the region except forestry, utilities, manufacturing and trade. The average annual unemployment rate rose in 1981 as employment decreased more than the labour force in the second half of the year.

Within the primary sector, preliminary data indicate that both the volume and value of fish landings increased strongly, particularly in Nova

Chart 6.2

Regional Unemployment Rates



Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001.

Scotia and New Brunswick, largely reflecting higher groundfish, scallop and lobster catches. Mining output increased strongly in the region reflecting a particularly sharp increase in New Brunswick following a long labour dispute in metal mining in 1980; in Nova Scotia, however, output is estimated to have fallen partly as a result of a labour dispute in coal mining which interrupted production for almost three months. Agriculture output rose moderately, and there was particularly strong growth in Prince Edward Island where potato production rose with increased plantings and the highest yield per acre in Canada. Farm cash receipts in the region grew faster than in the rest of Canada. Forestry production fell as a result of reduced exports of lumber and pulp and paper products.

In the secondary sector, the level of manufacturing activity is estimated to have decreased slightly as growth in Newfoundland and Nova Scotia was more than offset by a decline in New Brunswick. In Nova Scotia, however, particularly large increases occurred in shipments of transportation equipment (due in part to increased exports of railroad rolling stock to Cameroon) and metal fabricating (related to higher construction levels in the province), and in Newfoundland shipments of the food and beverage, metal fabricating and wood industries were up substantially. Construction activity in the region is estimated to have increased solely because of the increase in Nova Scotia where non-residential construction rose particularly strongly. The net generation of electricity in 1981, according to preliminary data, declined in the region mainly because of decreased deliveries particularly from Newfoundland to Quebec, and there was also a very sharp decline in Prince Edward Island as the province has obtained more of its electric energy requirements from New Brunswick since the laying of the submarine cable.

Services in total in the region are estimated to have increased at less than the national pace. All major sectors expanded, except trade which continued to decline in all four provinces as the growth in retail sales lagged behind the rate of inflation. Declining employment in community, business and personal services in Newfoundland and Prince Edward Island, lower employment in the finance, insurance and real estate sector in New Brunswick, Nova Scotia and Prince Edward

Island, and reductions in public administration and defence in New Brunswick, also contributed to the lower average rate of growth in 1981.

Labour income in the region again increased at a rate below the national average, with the smallest growth among all provinces occurring in Prince Edward Island and one of the highest in Newfoundland. Employment, which increased at a pace above the national average in 1980, expanded at a much slower rate in 1981. Labour force growth also slowed, but not as much, so that the average annual unemployment rate rose in 1981 in all four provinces.

Quebec

Economic activity in Quebec grew slowly in 1981 as a whole, despite the slowdown recorded in the second half of the year. Production of goods, after a decline in 1980, showed little change, given the weakness of domestic and export market demand, and services increased slowly, restrained by a second consecutive decline in trade.

In the primary sector, farm cash receipts in 1981 rose despite a slowdown in hog production and a decline in fruit production, particularly apples. Dairy output increased slightly. Forest production fell somewhat, reflecting a decline in timber offset in part by a strong increase in pulpwood production. Mining production registered a net decline, due mainly to a fall in copper exports and heavy stockpiles of iron ore.

In the manufacturing sector, production remained almost unchanged. Activity increased substantially in the transport equipment industry due to a sustained growth in aircraft manufacturing, and also in the electrical products, forest products, food and beverage and leather industries. However, this growth was offset by major declines in the manufacture of metal, chemical and non-metallic mineral products and clothing. Construction increased only slightly, due mainly to weak growth in public investment and housing starts as mortgage interest rates were at a high level. In the public utilities sector, the net generation of electrical power increased due in part to higher exports, and the volume of natural gas sales increased substantially.

Table 6.2
Main Economic Indicators by Region

Labour Market

	Employment		Labour force		Unemployment rate	
	1980	1981	1980	1981	1980	1981
	(percentage change)				(per cent)	
Atlantic region.....	3.8	1.2	3.1	1.7	11.2	11.7
Quebec	2.5	0.7	2.8	1.3	9.9	10.4
Ontario	1.4	2.9	1.8	2.6	6.9	6.6
Prairie region	3.9	3.9	3.8	4.1	4.3	4.5
British Columbia	5.5	4.7	4.5	4.7	6.8	6.7
Canada	2.8	2.6	2.8	2.7	7.5	7.6

New Capital Expenditures (Current dollars)

	Total			Residential			Other		
	1970-79 ⁽¹⁾	1980	1981	1970-79 ⁽¹⁾	1980	1981 ⁽¹⁾	1970-79 ⁽¹⁾	1980	1981
	(percentage change)								
Atlantic region	11.1	- 0.1	13.6	14.4	- 9.0	- 2.6	10.5	1.9	16.8
Quebec	14.8	8.1	9.6	14.6	- 12.0	15.8	14.9	13.0	8.4
Ontario	10.6	11.8	19.3	11.9	- 11.5	20.2	10.2	17.9	19.1
Prairie region	19.5	14.6	20.6	24.5	- 12.5	7.9	18.5	21.3	22.9
British Columbia ⁽²⁾	14.6	29.1	26.8	14.6	35.5	43.7	14.6	27.6	22.3
Canada	14.1	13.4	18.6	15.7	- 5.2	19.3	13.7	18.1	18.5

Other Indicators

	Farm cash receipts		Wages and salaries		Retail sales	
	1980	1981	1980	1981	1980	1981
	(percentage change)					
Atlantic region.....	16.0	19.9	7.9	11.4	5.3	9.3
Quebec	14.0	17.2	11.2	11.6	6.5	8.9
Ontario	7.2	15.0	9.6	13.4	7.8	14.0
Prairie region	9.1	21.0	14.8	17.2	12.9	14.5
British Columbia	14.4	17.5	14.2	12.5	15.0	14.1
Canada	9.7	18.6	11.3	13.4	9.1	12.5

⁽¹⁾ Average annual compound increase.

⁽²⁾ Includes Yukon and Northwest Territories.

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001; Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*, annual, cat. 61-206; Statistics Canada, *Farm Cash Receipts*, monthly, cat. 21-001, *Estimates of Labour Income*, monthly, cat. 72-005, and *Retail Trade*, monthly, cat. 63-005.

In the services sector, trade activity declined, particularly in the fourth quarter, when retail sales weakened. However, in most other sectors, services likely increased more rapidly than in 1980.

In 1981, labour income grew at a rate slightly lower than that of the country as a whole. At the same time employment increased only slightly from 1980, reflecting increasingly weaker growth over the year and a sharp decline in the fourth quarter, particularly in the manufacturing and trade sectors. The labour force grew faster than employment in 1981, despite a decrease also recorded in the fourth quarter. The average unemployment rate increased very rapidly in the second half of the year, and the overall rate for the year was high.

Ontario

Following a decline in 1980, real domestic product in Ontario is estimated to have increased relatively strongly in 1981, despite decreases in mining and forestry output. Manufacturing production recovered moderately from the economic downturn in the previous year and there was strong growth in services. Most of the growth, however, took place in the first half of the year. On average, employment for the year increased strongly and the average annual unemployment rate declined, although the rate rose in the latter part of the year.

Strong increases in the Ontario economy are estimated to have occurred in the manufacturing, construction and transportation sectors. The growth in manufacturing output, however, did not restore output to the 1979 level. The increases were most evident in the tobacco, electrical products, primary metals, wood products, furniture and fixtures, and the leather industries. Growth was generally stronger in the first half of the year, and particularly in primary metals where output declined after July because of major work stoppages. By year-end there were also large layoffs by the major auto producers and in the agriculture implement industry. Stimulated by the growth in manufacturing output, transportation increased after having grown slowly in 1980. Construction activity increased strongly in 1981 after having declined sharply in 1980. Housing starts rose in 1981 from the low levels reached in

the previous year, and non-residential construction also increased.

In the primary sector, nickel and copper mining output declined in 1981, due to reduced export demand, after having experienced sharp increases in 1980 when production recovered from work stoppages in the previous year. Forestry output also declined as lumber exports decreased, reflecting the further reduction in housing starts in the United States; layoffs and even shutdowns occurred at a number of sawmills late in the year. Pulpwood production, however, increased moderately. Agriculture output rose at a slower pace than in 1980 as crops in general were lower due to wet fields, and fruit production similarly decreased because of unfavourable weather.

Services in aggregate increased relatively strongly, with the most notable increases being in transportation, community, business and personal services, and in finance, insurance and real estate. Trade activity rose slowly after the decline in the previous year.

Labour income in the province increased at the national rate. Both employment and the labour force increased substantially during 1981, with employment growing faster than the labour force. Most of the growth in both employment and the labour force, however, took place in the first half of the year. The average annual unemployment rate declined, even though the seasonally adjusted rate increased in the latter part of the year.

The Prairie Region

Real output in the region in 1981 is estimated to have grown faster than in 1980 and at a pace well above the national average. Strongest growth occurred in Saskatchewan and Alberta and all major sectors, except mining, had increased output.

In the primary sector, farm cash receipts increased by one-fifth, reflecting especially strong increases in Alberta and Saskatchewan. Seeded acreages for all major field crops, except flaxseed and rapeseed, were higher in 1981 which, together with above-average growing conditions, resulted in record or near-record grain produc-

tion. The largest increases are estimated to have been in Manitoba and Saskatchewan, the provinces which were hard hit by drought conditions in 1980. Mining output was adversely affected by cutbacks in oil production in Alberta, as well as by weak demand for nickel and copper and a major labour dispute in Manitoba; potash production declined but continued to be at a high level.

In the secondary sector, the value of manufacturing shipments in the region rose at a rate above the national average, with Alberta and Saskatchewan having the highest growth rates in the country and Manitoba showing a growth at about the national average. Housing starts increased considerably in Manitoba and sharply in Alberta but decreased in Saskatchewan. However, the decline in housing construction in Saskatchewan was more than offset by a very strong increase in non-residential construction, particularly in the utilities and primary industries. Non-residential construction also rose very strongly in Alberta as nearly all major sectors, especially manufacturing and trade and services, increased their expenditures very substantially.

In the services sector, all industries had higher output. The strongest increase in all three provinces was in the transportation sector and reflected substantial gains in agricultural and manufacturing production. Retail trade was up strongly in Alberta and increased at close to the national average in Manitoba and Saskatchewan.

Labour income in the region grew at the fastest rate in the country, with growth in Alberta being well above the national average. Both employment and the labour force grew at above the national pace, with Alberta having the highest rates of increase among all provinces. The average annual rate of unemployment increased slightly as all provinces experienced increases in the seasonally adjusted rate in the latter part of the year.

British Columbia

Economic activity in British Columbia in 1981 is estimated to have increased at a relatively slow rate. The economy was adversely affected by a

further reduction in lumber exports to the United States as well as prolonged labour disputes in the forestry-related industries during the summer. Employment grew strongly, particularly in the first half of the year, but at a slower rate than in 1980, and the average annual rate of unemployment declined marginally.

The relatively weak growth in the British Columbia economy resulted from declines in the forestry-related industries. Forestry output, which had increased strongly during the first few months of the year in anticipation of summer work stoppages, declined sharply thereafter and posted a decrease for the year as a whole. Lumber exports to the United States fell noticeably during the year as the number of housing starts continued to drop in that country. Plywood production similarly declined sharply. Pulpwood production, however, increased slightly in part because newsprint production increased. Since the manufacturing of wood products in British Columbia represents more than half of the manufacturing value-added in that province, total manufacturing output declined; there were also decreases in the output of the primary metals, machinery, chemical and non-metallic mineral products industries. Agriculture output also decreased, despite sharp increases in slaughtering, as fruit production and crops were reduced by unfavourable weather early in the year. As a consequence of these reductions in goods production, transportation activity declined.

In fishing, increased catches of salmon and herring were responsible for the growth in output in that sector. Coal mining continued to grow strongly, stimulated by export demand from Japan, but copper and molybdenum output declined as inventories were high. On the whole, mining recovered slightly from the decline in 1980. Construction continued to grow strongly, although at a slower rate than in the previous year, as private investment slowed; however, housing starts increased sharply. Exceptionally high water levels resulted in increased electric power generation and most of the additional power was exported to the United States.

In the services sector, trade continued to increase at a rate above the national average, reflecting the relatively strong growth in retail

sales, while public administration services increased only slightly as there were work stoppages at the local administration level early in the year.

Total employment increased at one of the fastest rates in the country, although the rate of increase

was relatively weak after the first quarter. The labour force, in comparison, grew more strongly towards the end of the year, but the overall growth for the year matched that of employment. Consequently, the annual average unemployment rate was little changed, although the rate rose as the year progressed.

7. Balance of Payments

Canada's current account deficit, which had been in the \$4 to \$5 billion range in the second half of the 1970s, and had fallen to a low of \$1.9 billion in 1980, rose to \$6.6 billion in 1981. The widening of the deficit in 1981 was mainly the result of a sharp increase in interest payments and a sharp decline in the terms of trade (the ratio of export to import prices) facing Canada. The long-term capital account showed a \$1.3 billion surplus, virtually unchanged from 1980. There was a large increase in the deficit on direct investment as a result of takeovers of foreign-owned businesses, both in Canada and abroad, by Canadian residents. More than offsetting this direct investment outflow was a record volume of net new issues of Canadian securities sold abroad. The deficit on basic balance — the sum of current and long-term capital accounts — was more than offset by recorded short-term capital inflows, facilitated by a widening of interest rate differentials in Canada's favour. Through most of the year the Canadian dollar traded in a narrow range against the U.S. dollar. In July and early August, however, it came under sharp downward pressure which was strongly related to the takeover activity. On average in 1981, the Canadian dollar depreciated 2.5 per cent against the U.S. dollar, but appreciated over 11 per cent against the other Group of Ten (G-10) countries.

Current Account

Contributing to the large deterioration of the current deficit in 1981 were the \$3.8 billion increase in the services deficit and the \$1.2 billion decline in the merchandise trade surplus.

Among components of the services account, the largest change was recorded under the "other service transactions" category. This includes miscellaneous income flows which are mainly interest on short-term investments. Increases in Canada's net international indebtedness, along with increases in interest rates, were mainly responsible for the increased deficit on the miscellaneous income account. For the same reasons, the "interest and dividends" category of the services account also showed a large increase in 1981.

Over all, net interest payments increased in excess of \$2 billion in 1981.

A significant deterioration in Canada's terms of trade more than offset an increase in the merchandise trade surplus in constant (1971) dollars to produce a decline in the nominal dollar trade surplus in 1981. The strength in the trade balance in volume terms occurred in spite of the fact that real growth in Canada in 1981 was much stronger than in many of its major trading partners and there was further upward pressure on the volume of imports resulting from Alberta's oil production cutbacks and a deterioration in Canada's international competitiveness in 1981.

Merchandise Trade

The \$1.2 billion decline in Canada's merchandise trade surplus over the whole year occurred mainly because of a significant worsening of Canada's terms of trade. The average price of export goods increased 7.1 per cent in 1981 in contrast to the 10.8-per-cent increase in the average price of import goods. In volume terms, the surplus on merchandise trade improved somewhat (Table 7.1).

There were, however, large quarterly changes in the balance of trade both in value and volume terms over the course of the year. These differences arose mainly because of divergent cyclical developments in Canada, the U.S. and Canada's other trading partners. Certain special factors also contributed to this development, such as the impact of Alberta's production cutbacks on the volume and value of oil imports.

Cyclical factors have always played an important role in influencing Canada's trade balance. During the 1974-75 recession, the strength of the Canadian economy relative to the U.S. was largely responsible for the faster growth in imports than exports, which in 1975 resulted in the first recorded merchandise trade deficit in 15 years. Similarly, the more rapid recovery of the U.S. economy in 1976 and 1977, in addition to the depreciation of the Canadian dollar, was cru-

cial to the strengthening of the trade balance from mid-1976. In 1979 and 1980, Canada's trade surplus with the U.S. was substantially reduced as the U.S. economy slid into recession and its demand for imports fell off sharply. However, Canada's surplus with other countries increased and the overall balance of trade continued to improve in both 1979 and 1980 (Table 7.2).

The Canadian economy grew strongly in the first half of 1981. The U.S. economy, which had registered strong growth in the first quarter of 1981, began to weaken in the second quarter. Other OECD countries generally recorded weak economic growth or declines in economic activity in the first half of 1981. In addition, the strength of business investment in machinery and equipment in Canada, which is import-intensive, and increases in oil imports because of Alberta's production cutbacks which lasted until the end of

August, put upward pressure on the volume of imports. As a result, the trade surplus in volume terms declined in the first three quarters of 1981 relative to the last two quarters of 1980. This, along with rapidly rising import prices and relatively depressed export prices, reduced Canada's trade surplus in the first three quarters of 1981 to an annual rate of \$5.2 billion, down significantly from the 1980 value of \$7.8 billion. However, as the cyclical positions of the Canadian and the OECD economies, other than the U.S., reversed in the fourth quarter of 1981, there was also a sharp turn-around in the trade balance. The trade balance was also aided in the fourth quarter by the termination of Alberta's oil production cutbacks. The volume of exports of goods increased modestly in the fourth quarter but the volume of imported goods declined at a substantial 22.1-per-cent annual rate. The trade surplus in volume terms rose to an annual rate of \$2.1 billion compared to a surplus of \$635 million in 1980, in

Table 7.1
**Summary of the Current Account
of Canada's Balance of International Payments**

	1976	1977	1978	1979	1980	1981
	(billions of dollars)					
Merchandise exports	38.0	44.3	53.1	65.3	76.2	84.1
Merchandise imports	36.6	41.5	49.0	61.1	68.4	77.5
Balance of trade						
Nominal	1.4	2.7	4.0	4.2	7.8	6.6
Real (1971 dollars)	- 1.7	- 0.7	1.4	- 0.5	0.6	0.9
Service receipts	7.6	8.3	9.9	11.8	14.1	14.9
Service payments	13.4	15.7	18.9	21.5	25.1	29.7
Balance on services	- 5.8	- 7.4	- 9.0	- 9.7	- 11.0	- 14.8
Total receipts	45.6	52.5	63.0	77.1	90.3	99.0
Total payments	50.0	57.3	68.0	82.7	93.4	107.2
Balance on goods and services	- 4.4	- 4.7	- 5.0	- 5.6	- 3.2	- 8.2
Net transfers	0.5	0.4	0.0	0.7	1.3	1.6
Balance on current account	- 3.8	- 4.3	- 4.9	- 4.9	- 1.9	- 6.6

Note: Balances may not be the sum of the detail due to rounding.

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001.

Table 7.2

The Trade Balance by Commodity Group and Country Group

	1976	1977	1978	1979	1980	1981
	(billions of dollars)					
By commodity group						
Food and related products	1.4	1.3	1.5	2.1	3.4	4.3
Crude material and related products	3.2	3.5	2.9	4.6	3.4	3.1
Fabricated materials	6.0	7.9	10.4	12.4	16.6	16.0
Autos and related products	- 1.2	- 1.2	- 0.8	- 3.3	- 2.7	- 2.9
Other end products	- 8.9	- 9.9	- 11.6	- 13.9	- 15.1	- 17.7
Re-exports and special transactions	0.5	0.5	0.6	0.9	1.2	2.2
Total, customs basis	1.0	2.2	3.1	2.8	6.8	4.7
By country						
United States.....	0.5	1.5	2.6	0.3	0.7	2.8
United Kingdom	0.8	0.6	0.4	0.6	1.3	1.0
Other EEC	0.6	0.3	- 0.2	0.8	2.6	1.4
Japan	0.8	0.7	0.5	1.8	1.5	0.4
Other OECD	- 0.1	0.0	- 0.2	0.0	0.6	0.4
Other	- 1.2	- 0.3	0.8	0.6	1.2	0.6
Total, balance of payments basis	1.4	2.7	4.0	4.1	7.8	6.6

Note: Details may not add due to rounding.

Source: Statistics Canada, *Summary of External Trade*, monthly, cat. 65-001, and *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001.

terms of 1971 dollars. In addition, the terms of trade recovered somewhat in the fourth quarter as export prices of goods posted a moderate increase while import prices of goods declined 2.2 per cent.

Canada's trade surplus with the U.S. improved significantly from \$727 million in 1980 to \$2.8 billion in 1981. However, the surplus with countries other than the U.S. deteriorated sharply in 1981 to generate a decline in the total trade surplus (Table 7.2). The trade surplus declined from \$3.9 billion to \$2.4 billion with the European Economic Community (EEC) nations, from \$1.5 billion to \$0.4 billion with Japan, and from \$1.2 billion to \$0.6 billion with countries outside the OECD. Higher prices of crude oil imports, along with the impact of Alberta production cutbacks, accounted for much of the overall reduction in the trade surplus with non-OECD countries, in

particular with Mexico, Algeria, Venezuela, Libya and Nigeria. Imports were also up significantly from South Korea, Taiwan and Hong Kong.

Canada's trade performance in 1981 on a commodity basis reflected a continuation of recent trends. The deficit on manufactured end products continued to widen partly in response to a strong increase in investment in machinery and equipment, the surplus on food and related products continued to increase and the surplus on fabricated products remained the dominant contributor to the overall merchandise trade surplus (Tables 7.2 to 7.4).

There was an \$840 million increase in the surplus on food and related products to \$4.3 billion in 1981 led by the rise in meat and fish exports to the U.S. and Japan, and sharply higher cereals shipments to Japan. These export gains largely

Table 7.3
Canada's Merchandise Exports
(Balance of payments basis)

	1976	1977	1978	1979	1980	1981
(billions of dollars)						
Wheat and wheat flour	1.9	2.1	2.0	2.3	3.8	4.0
Other agricultural products	3.0	3.4	4.2	5.4	5.5	6.8
Crude petroleum	2.2	1.7	1.6	2.5	2.9	2.5
Natural gas	1.6	2.1	2.2	3.0	4.0	4.4
Lumber and plywood	1.8	2.5	3.4	4.1	3.6	3.2
Pulp, paper and board	4.7	5.1	5.7	7.3	8.8	9.3
Metals and minerals	6.8	7.7	8.7	10.6	14.6	14.6
Other fabricated materials	2.9	3.9	5.4	7.7	9.2	10.6
Auto and related products	8.3	10.4	12.5	11.8	10.8	13.1
Machinery and equipment	2.8	3.0	4.0	5.4	6.5	7.7
Other manufactured goods	1.7	1.8	2.3	3.4	4.4	4.6
Miscellaneous	0.4	0.5	0.9	1.7	2.1	3.4
Total	38.0	44.3	53.1	65.3	76.2	84.1
(percentage change)						
Wheat and wheat flour	- 12.6	11.4	- 1.2	12.6	66.8	3.5
Other agricultural products	17.3	13.5	22.8	29.3	2.5	23.5
Crude petroleum	- 28.0	- 19.3	- 9.5	60.7	12.3	- 12.7
Natural gas	41.1	27.1	6.2	35.8	33.7	9.6
Lumber and plywood	67.5	44.1	35.5	19.7	- 12.7	- 10.9
Pulp, paper and board	18.1	9.7	11.6	27.2	21.7	4.9
Metals and minerals	18.6	14.2	12.8	21.6	37.5	- 0.3
Other fabricated materials	18.2	32.6	38.7	42.7	18.6	15.4
Auto and related products	27.9	26.0	20.5	- 5.4	- 9.1	22.0
Machinery and equipment	6.9	7.3	30.8	34.2	21.5	18.0
Other manufactured goods	19.2	6.7	32.7	44.3	30.5	5.1
Miscellaneous	- 53.4	0.7	97.8	93.2	18.4	65.3
Total	13.4	16.5	19.9	23.0	16.7	10.5

Note: Details may not add due to rounding. Trade data on a balance of payments basis are basically those obtained from customs documents adjusted to represent more accurately all economic transactions between residents and non-residents with financial implications for the balance of payments. Customs data include only the physical movement of goods as reflected in the customs reports. Adjustments for timing, coverage and valuation are made to convert these data to a balance of payments basis. The balance of payments adjustments reported by Statistics Canada were allocated to these commodity groupings by the Department of Finance.

Source: Bank of Canada Review, monthly; Statistics Canada, Quarterly Estimates of the Canadian Balance of International Payments, cat. 67-001; and Department of Finance.

Table 7.4

Canada's Merchandise Imports⁽¹⁾
(Balance of payments basis)

	1976	1977	1978	1979	1980	1981
(billions of dollars)						
Food	2.5	2.9	3.3	3.7	4.1	4.5
Crude petroleum	3.3	3.2	3.5	4.5	6.9	7.9
Construction material	0.9	1.0	1.1	1.4	1.3	1.7
Industrial material	7.7	8.7	10.8	15.0	17.0	18.6
Auto and related products	9.3	11.3	13.1	15.0	13.3	15.9
Machinery and equipment	7.6	8.6	10.7	14.1	16.9	19.5
Other consumer goods						
United States	2.1	2.3	2.7	3.1	3.4	3.8
Rest of the world	2.4	2.7	3.0	3.4	3.6	4.2
Miscellaneous	0.7	0.8	1.0	1.1	1.8	1.4
Total	36.6	41.5	49.0	61.1	68.4	77.5
(percentage change)						
Food	6.4	17.1	11.8	12.5	13.2	9.1
Crude petroleum	- 1.2	- 1.0	7.6	29.0	55.0	13.4
Construction material	13.8	5.7	11.2	22.9	- 4.6	29.1
Industrial material	6.9	13.0	23.1	38.9	13.5	9.6
Auto and related products	14.1	21.7	15.6	14.5	- 11.4	19.5
Machinery and equipment	- 1.1	12.3	25.2	31.3	19.6	15.9
Other consumer goods						
United States	16.9	7.9	15.4	15.5	11.3	9.9
Rest of the world	28.5	11.0	13.6	12.4	7.3	16.5
Miscellaneous	2.8	11.4	19.9	18.3	61.0	21.0
Total	7.8	13.4	18.1	24.6	11.8	13.4

Note: Details may not add due to rounding.

⁽¹⁾ See footnote to Table 7.3.

Source: *Bank of Canada Review*, monthly; Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001; and Department of Finance.

offset higher priced fruit and vegetable imports from the U.S. There was a relatively small \$358 million reduction in the crude material trade surplus as a substantial increase in the value of crude petroleum imports more than offset increased exports of iron ore and natural gas.

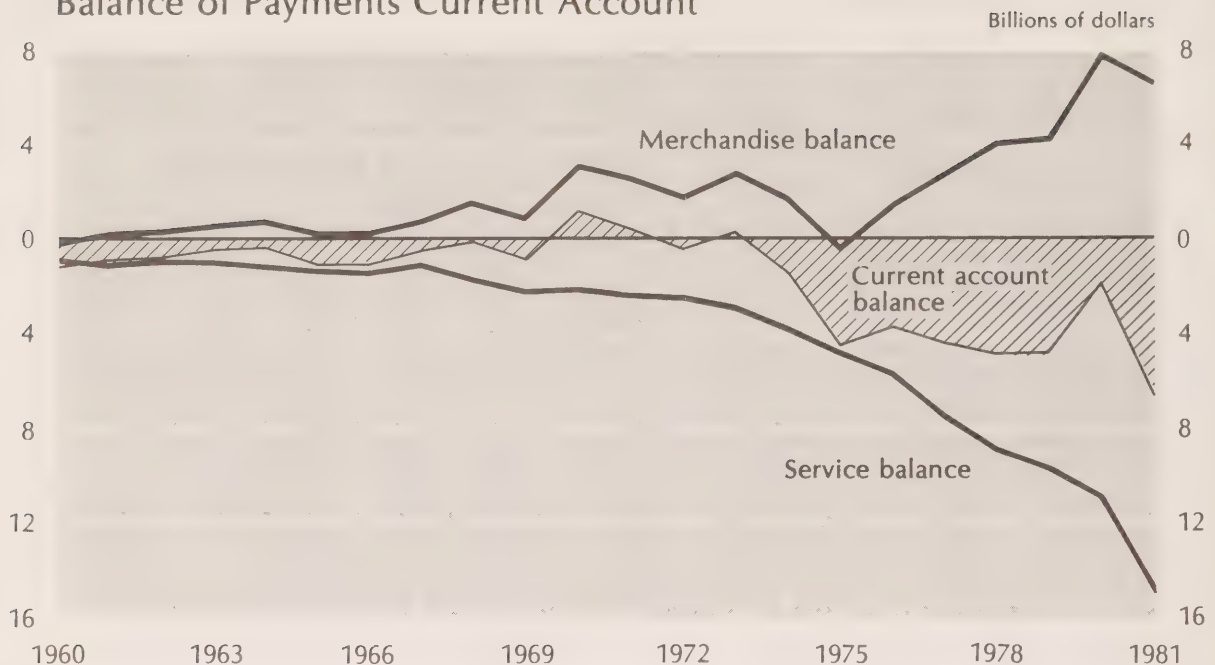
For the first time in several years, the surplus on fabricated material products failed to increase in 1981, although at \$16.0 billion it remains high by historical standards. The growth in the value of fabricated material exports in 1981 slowed to

only one-fifth of the rate of increase recorded in 1980 as commodity prices weakened, particularly for non-ferrous metals and lumber. Imports were boosted by the sharp increase in iron and steel imports in response to the Stelco strike in the third quarter of 1981, while wood and paper and chemical imports were also up significantly from year-earlier levels.

The automotive product trade deficit rose to \$2.9 billion in 1981 from \$2.7 billion in 1980 as the strong export growth was exceeded by even

Chart 7.1

Balance of Payments Current Account



Source: Statistics Canada, *Quarterly Estimates of International Payments*, quarterly, cat. 67-001.

stronger import growth. There was an unusually large 44.4-per-cent increase in automobile imports from Japan. The manufacturing end products deficit excluding auto-related products also rose significantly to \$17.7 billion from \$15.1 billion in 1980, as the recession in Europe, combined with the appreciation of the Canadian dollar overseas, led to a large drop in demand for Canadian finished goods. At the same time, import growth remained high given the large long-term investment projects in the resource sector of the economy and the sharp rise in consumer demand for durable goods earlier in the year.

Canada has typically recorded a deficit on trade in manufactured end products, as her exports consist mainly of raw materials and semi-processed goods, while more than half of her imports are classified as end products. This deficit widened significantly in 1979 and again in 1981. Partly contributing to this development was a slowing in the rate of improvement in Canadian competitiveness in 1979, as the external value of

the Canadian dollar stabilized. In 1981, an appreciation of the dollar combined with an above-average increase in average hourly earnings led to the first decline in five years of Canadian competitiveness in trade in manufactured goods. Table 7.5 provides a detailed breakdown of major product groups traded within the end product classification. Trade deficits have occurred in every major end-product category, with particularly large deficits recorded for consumer products (including apparel, footwear, personal and household goods) and miscellaneous equipment and tools. These product groups, along with office machinery and equipment, were also the major contributors to the increase of the overall trade deficit on end products in 1981.

Canada enjoyed an improvement in the terms of trade in 1979 and 1980 as a result of increasing commodity prices. Since the end of 1980 both food and industrial prices have trended downwards, the latter in response to weak economic activity in western Europe and more recently in North America. Prices of wood products have also suffered from the unusually low level of

house building activity both in Canada and the U.S. As Canada's exports, relative to imports, have traditionally included a large portion of raw materials, the decline in commodity prices meant a more than 3-per-cent loss in the terms of trade for goods during 1981.

Services

Canada has traditionally recorded a deficit on transactions in services. This deficit has been growing, particularly since 1975. In 1981, the deficit on services was \$14.8 billion, significantly higher than the \$11.0 billion deficit recorded in 1980. As in previous years, the largest increase in the services deficit was mainly a result of a substantial \$2.5 billion rise in net interest payments in 1981, an increase which is reflected in the balance of payments accounts under both "interest and dividends" and "other services".

Interest and Dividends

The size of Canada's interest payments to other countries relative to its interest receipts and other items in the services account is very large and explains movements in the services balance to a considerable extent. Between 1974 and 1979, net interest payments, as recorded under "interest and dividends", rose at an average annual rate of 40.0 per cent. The growth rate of net interest payments in this category declined to 7.1 per cent in 1980 but increased to 11.1 per cent in 1981 as interest rates reached record levels. In 1981, net interest payments under this category were over \$4.6 billion.

Canada's net interest payments are quite large because of sizeable non-resident holdings of Canadian bonds. The stock of these holdings has been growing. Provincial governments borrowed heavily in foreign bond markets during 1974-1978 because of declines in their budget balances due to weak economic growth and the need to finance domestic hydro-electric projects. A relatively large volume of provincial borrowing again took place in 1981. The debt financing burden during 1976-1978 was aggravated by the large depreciation of the Canadian dollar relative to the U.S. dollar and historically high interest rates during this period. Since 1979, the rate of increase in interest payments has slowed, in part due to the relative stability of the foreign

exchange value of the Canadian dollar and relatively modest total government borrowing schedules. Higher interest rates, combined with increased provincial borrowings, led to higher net interest payments in 1981, but the 11.1-per-cent increase under "interest and dividends" was small in comparison with the growth experienced during the 1974-1979 period (see also next section).

The deficit on dividends generally widened through the 1970s as net direct investment in Canada by foreigners, including direct investment and retained earnings, continued to exceed direct investment abroad by Canadians by substantial margins. There was a considerable increase in the dividends deficit in 1981. This happened as dividend payments continued to rise in line with the upward movement in bond yields, while dividend receipts were down from their year-earlier level.

Other Services

The "other services" category includes "government transactions", "miscellaneous income" and "business services and other transactions". Miscellaneous income includes income on short-term and miscellaneous long-term investments and all services associated with international banking and insurance operations. A large part of miscellaneous income on both the receipts and payments sides is interest income. In 1981, miscellaneous income recorded a substantial \$3.7 billion deficit, an increase of \$2.1 billion over the 1980 deficit of \$1.6 billion. Contributing to this large increase in the deficit were large short-term inflows of foreign capital, including bank borrowings in foreign markets to finance takeovers and other transactions, and record high interest rates.

Travel

Canada normally has a deficit on the travel account. The travel deficit in 1981 at \$1.1 billion was similar to the deficit in 1980. The number of visitors from the U.S. increased during the year while the number from other countries dropped for the first time in four years, partially in response to the strengthening of the Canadian dollar relative to most European currencies and the weak real growth in most of the overseas OECD countries. The number of Canadians trav-

Table 7.5

Trade Balance in Manufactured End Products

	1976	1977	1978	1979	1980	1981
	(billions of dollars)					
General purpose machinery	- 0.5	- 0.5	- 0.6	- 0.7	- 0.8	- 0.9
Special industry machinery	- 1.8	- 1.8	- 2.1	- 3.0	- 3.8	- 3.5
Agricultural machinery and tractors	- 0.8	- 0.8	- 0.9	- 1.3	- 1.2	- 1.5
Motor-vehicle-related products	- 1.2	- 1.2	- 0.8	- 3.3	- 2.7	- 2.9
Other transportation equipment	0.0	- 0.2	- 0.3	- 0.4	- 0.4	- 0.7
Telecommunications and related equipment	- 0.7	- 0.8	- 0.9	- 1.1	- 1.2	- 1.4
Office machinery and equipment	- 0.4	- 0.5	- 0.6	- 0.7	- 1.2	- 1.7
Other equipment and tools	- 1.8	- 2.0	- 2.4	- 2.6	- 2.7	- 3.2
Consumer goods	- 2.9	- 3.3	- 3.7	- 4.0	- 3.9	- 4.9
Total	- 10.1	- 11.1	- 12.4	- 17.1	- 17.8	- 20.5

Note: Details may not add due to rounding.

Source: Statistics Canada, *Summary of External Trade*, monthly, cat. 65-001.

Table 7.6

Canada's Balance of International Payments

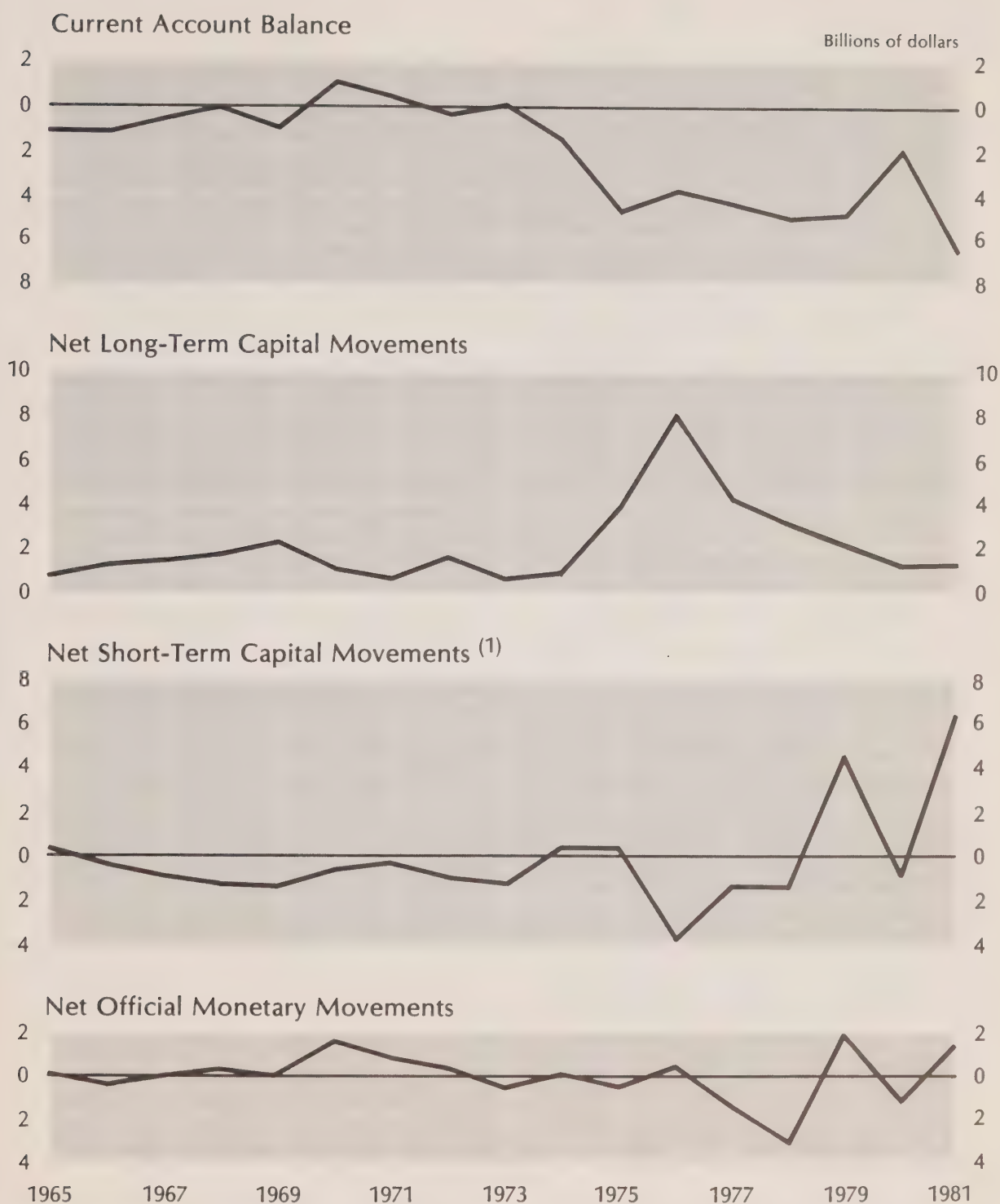
	Average 1971-75	1976	1977	1978	1979	1980	1981
	(billions of dollars)						
Current account balance	- 1.2	- 3.8	- 4.3	- 4.9	- 4.9	- 1.9	- 6.6
Merchandise balance	1.7	1.4	2.7	4.0	4.1	7.8	6.6
Services balance	- 3.3	- 5.8	- 7.4	- 9.0	- 9.7	- 11.0	- 14.8
Net transfers	0.4	0.5	0.4	0.0	0.7	1.3	1.6
Long-term capital flows	1.6	8.0	4.2	3.1	2.1	1.3	1.3
Direct investment in Canada	0.5	- 0.3	0.5	0.1	0.7	0.6	- 5.3
Direct investment abroad	- 0.6	- 0.6	- 0.7	- 2.1	- 2.4	- 2.8	- 4.9
Net issues of Canadian securities	1.6	8.1	5.0	5.2	3.1	3.4	10.8
Other	0.1	0.8	- 0.5	- 0.1	0.7	0.1	0.8
Short-term capital flows	0.8	0.1	0.7	1.2	6.8	1.1	14.9
Change in the chartered banks foreign currency position	0.2	- 0.9	1.4	2.8	4.1	1.4	17.9
Other	0.6	1.0	- 0.7	- 1.5	2.6	- 0.3	- 3.0
Errors and omissions	- 1.1	- 3.7	- 2.0	- 2.7	- 2.3	- 2.0	- 8.4
Total capital flows (including errors and omissions) ..	1.2	4.4	2.9	1.6	6.6	0.4	7.8
SDR allocation	0.0	0.0	0.0	0.0	0.2	0.2	0.2
Net official monetary movement	0.1	0.5	- 1.4	- 3.3	1.9	- 1.3	1.4
Official international reserves	0.1	0.5	- 1.4	- 0.2	- 0.9	- 0.5	0.4
Official monetary liabilities	0.0	0.0	0.0	- 3.1	2.8	- 0.7	- 1.0

Note: Balances may not add due to rounding.

Source: Statistics Canada, *Quarterly Estimates of the Balance of Payments*, cat. 67-001.

Chart 7.2

Canadian Balance of International Payments



⁽¹⁾Includes net errors and omissions.

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, quarterly, cat. 67-001.

elling both to the U.S. and overseas dropped somewhat in 1981 in response to the higher cost of fuel in the U.S., sharply increased air fares, the higher cost of services outside North America despite the strengthening of the dollar, and the continued downward pressure on real wages and income in Canada.

Capital Account, Exchange Rate and Official International Reserves

The principal features of financial transactions between Canadians and residents of other countries in 1981 included: large outward capital movements associated with purchases of foreign-owned corporations, a record volume of new issues of Canadian securities abroad, and large scale short-term capital inflows through the banking system. Against the U.S. dollar, the Canadian dollar traded at a lower average value in 1981 than in 1980, but strengthened against most other major currencies. At year's end, Canada's official international reserves stood at U.S. \$4.4 billion, up U.S. \$342 million over the year.

Including net errors and omissions, which are believed to largely reflect unrecorded financial transactions, there was a net capital inflow of \$7.8 billion in 1981. By way of comparison, net inflows of \$6.6 billion and \$0.4 billion were registered in 1979 and 1980 respectively.

At \$1.3 billion, the net inflow of long-term capital was virtually unchanged from 1980. Underlying this relatively modest net inflow, however, were large inflows in the form of new issues of Canadian securities abroad and large outflows on direct investment account. The net direct investment outflow amounted to \$10.2 billion over the year. Acquisitions by Canadians of foreign-owned corporations in Canada and abroad played a major role in producing this outcome. Canadian purchases of the controlling interests of non-residents in firms in the oil and gas industry in Canada — which contributed to the realization of the Canadianization objectives of the National Energy Program — led to an outflow on direct investment account of about \$6 billion. However, much of this was financed, either directly or indirectly, by borrowing abroad, with the Canadian chartered banks acting as important intermediaries between foreign lenders and

Canadian borrowers. While the composition of non-resident financial claims on Canada changed as a result of these transactions, the effect on the overall level of Canada's external liabilities was limited.

Canadian borrowers relied heavily on the bond market to raise funds in 1981. As the year progressed, the margin by which Canadian long-term interest rates exceeded comparable rates in the U.S. widened. As a consequence capital inflows from net new security issues strengthened during the year. Placements abroad were particularly strong in the fall when long-term interest rates declined. For the year as a whole, net new issues of securities abroad resulted in an inflow of \$10.8 billion.

There was a large increase in the net inflow recorded on short-term capital account in 1981. The net inflow of \$14.9 billion was well above the previous record inflow of \$6.8 billion in 1979, which itself was large by historical standards. Short-term capital flows are typically dominated by flows associated with the foreign currency business of the chartered banks. These often largely reflect changes in claims between the Canadian head offices of the chartered banks and their branches and affiliates abroad. Foreign currency banking inflows were concentrated in the first half of the year. For the year as a whole, the change in the chartered banks' net foreign currency position led to an inflow of \$17.9 billion, more than accounting for the total inflow of short-term capital in 1981. A number of factors contributed to this phenomenon. A significant portion of the corporate takeover activity by Canadians was financed by the chartered banks, who in turn raised funds abroad. With the introduction of a new Bank Act in December 1980, the banks were required to maintain reserves on booked-in-Canada foreign currency deposits of residents; a reduction in these of close to \$5 billion followed in the first half of 1981. Short-term capital movements, which were offsetting to some degree, appear to have occurred, with increases in both the foreign currency deposits of Canadians booked abroad and the foreign currency deposits of non-residents, including the foreign branches of the Canadian banks, booked in Canada.

Transactions in Canadian money market instruments led to a net inflow of \$1.2 billion, up

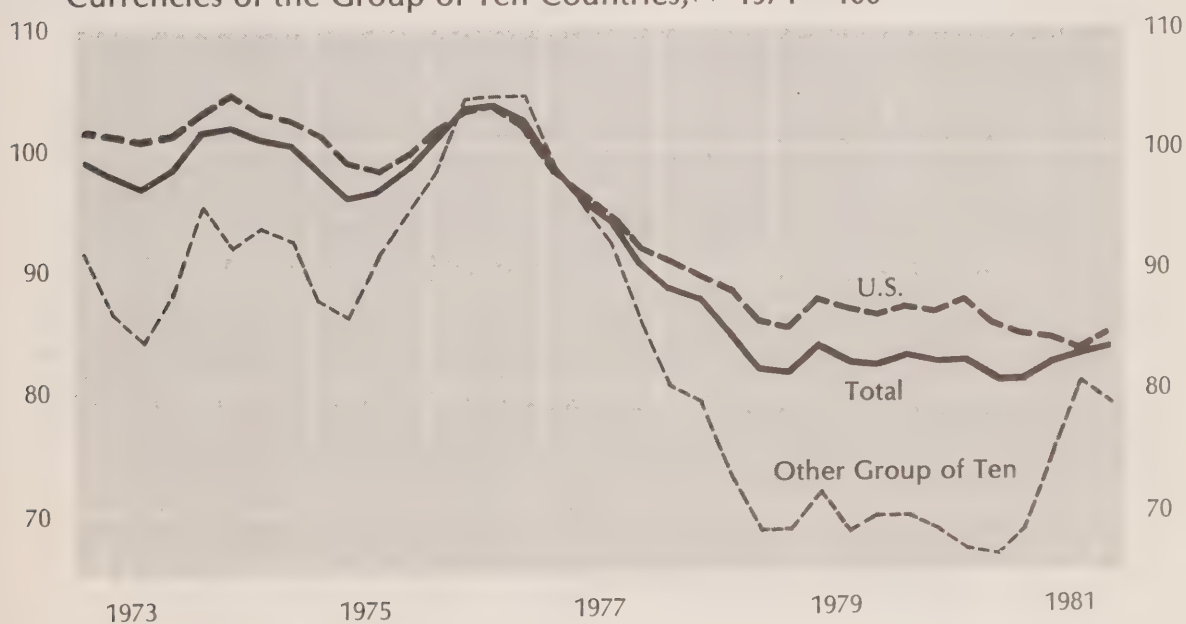
Chart 7.3

Official Reserves and Exchange Rates

Official International Reserves



Price Indexes for the Canadian Dollar Relative to the Currencies of the Group of Ten Countries,⁽¹⁾ 1971 = 100



⁽¹⁾ The various currencies are weighted to reflect each country's share of Canada's foreign trade in 1971. The Groupe of Ten (G-10) includes Germany, Belgium, Canada, the United States, France, Italy, the Netherlands, the United Kingdom, Sweden, Japan and Switzerland.

Source: Bank of Canada, Review, monthly and Department of Finance.

slightly from 1980. In 1981, the "errors and omissions" or balancing item was \$8.4 billion, up more than fourfold from the previous year. Almost all items in the balance of payments are susceptible to measurement difficulties. It is generally held that the net errors and omissions item primarily reflects unrecorded short-term capital transactions and until recently it was included in the short-term capital account of the official Canadian balance of payment statistics. Treating the residual item in this manner leads to a net short-term capital inflow of \$6.5 billion in 1981.

The Canadian dollar, in U.S. dollar terms, followed a V-shaped path in 1981, fluctuating downwards until mid-summer and upwards during the late summer and fall. It closed the year at U.S. \$0.8435, up from \$0.8377 at the end of 1980, touching a low of \$0.8031 (August 4) and a high of \$0.8506 (November 30) en route. At U.S. \$0.8340, the average noon rate of the dollar was down 2.5 per cent from 1980. Against most other major currencies, the dollar showed considerable strength; in terms of a trade-weighted index of average noon rates of Group-of-Ten currencies, excluding the U.S. dollar, it was up by more than 11 per cent over 1980.

Underlying the downward pressure on the Canadian dollar during 1981 were: cyclical developments in the international economy which weakened Canada's balance on current account, corporate takeover activity, uncertainties related to energy pricing, and generally positive market sentiment toward the U.S. dollar, especially over the first seven months of the year. During the second half of July, the Canadian dollar came under sharp downward pressure, which continued into early August. While short-term interest rates were strongly in Canada's favour at the time, this was outweighed by other factors, among which were sizeable purchases of foreign exchange associated with corporate takeover

activity. On July 29, the Minister of Finance asked the chartered banks to limit lending in which the proceeds are converted to foreign currency and used to finance acquisitions of foreign-owned corporate assets. Subsequently, corporate takeover activity eased, there was a pick-up in new issues of Canadian securities abroad, an energy agreement between the Federal Government and Alberta was reached, and the dollar strengthened.

Official operations in the foreign exchange market continued to be directed towards the maintenance of orderly trading conditions in 1981. On occasion, this entailed sizeable sales of foreign exchange (particularly during the summer when the dollar came under sharp downward pressure) and purchases (particularly late last fall) with resulting changes in the level of Canada's official international reserve assets. Borrowings and repayments of foreign currency debt, incurred for reserve management purposes, were also factors in the changes in Canada's reserve holdings during the year. Additionally, Canada's reserves were affected by an allocation of Special Drawing Rights by the International Monetary Fund, gold sales, and valuation adjustments. The cumulative effect of these three factors increased the book value of reserves by U.S. \$205 million.

At the end of 1981, Canada's international reserves stood at U.S. \$4,371 million, up \$342 million from the end of 1980. Recourse to the standby credit line with the Canadian chartered banks was made during the year to replenish reserves; these drawings were subsequently repaid. For the year as a whole, net repayments of U.S. \$900 million were made on the standby facilities with Canadian and foreign banks; there were no drawings outstanding at year-end. In November, a U.S. \$300 million placement was made with the Saudi Arabian Monetary Agency; the proceeds were added to reserves.

Appendix

International Competitiveness

The competitiveness of Canada's products on foreign markets greatly influences the merchandise trade balance. Changes in the domestic currency costs of producing goods in Canada relative to other countries, together with fluctuations in the exchange rate, affect the ability of Canadian industry to compete on international markets and against imports at home.

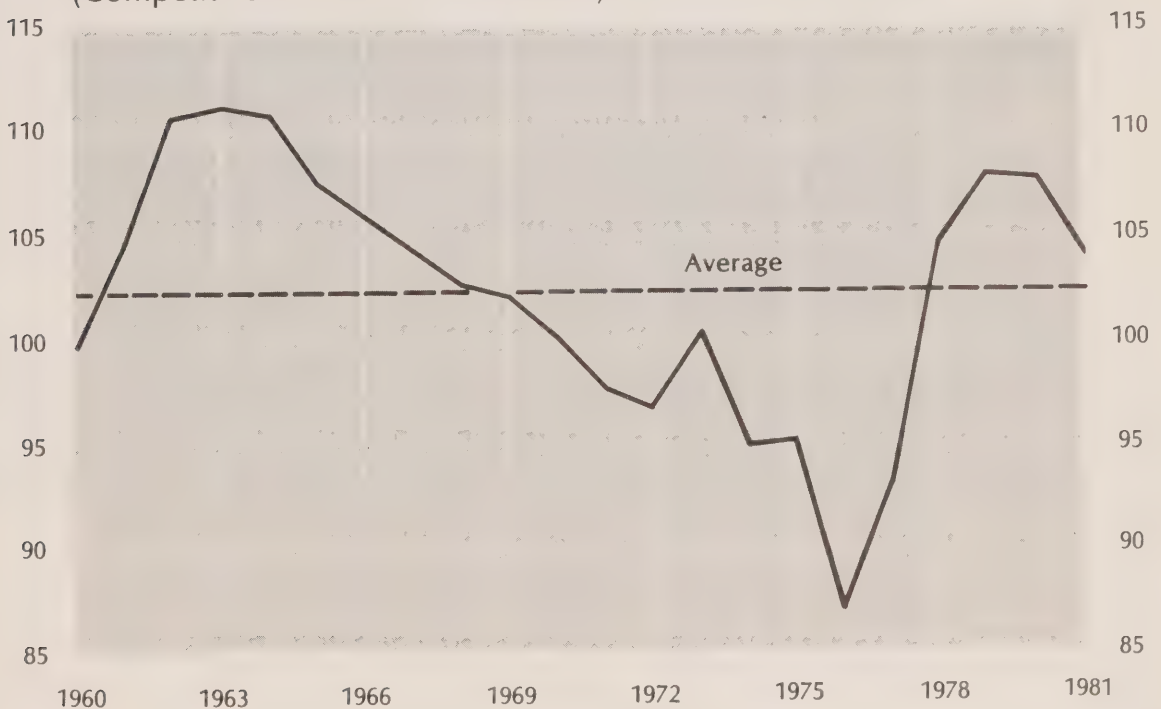
Table 7.7 compares increases in average hourly earnings, trend productivity and unit labour costs in manufacturing in Canada with its four major trading partners. Since the early 1970s, the increase in average hourly earnings in Canada has exceeded that in the U.S. by nearly 2.5 per-

centage points on average per year. This gap was well in excess of a productivity differential in favour of Canada and contributed to the depreciation of the Canadian dollar. In U.S. dollar terms, unit labour costs in Canada grew faster than in the U.S. over the 1971-81 period as shown in the first panel of Table 7.7. However, over the same period, Canadian unit labour costs rose less rapidly than those of Japan, the U.K. and Germany.

From the second panel of Table 7.7, it is apparent that a deterioration in domestic currency unit labour costs vis-à-vis those of the U.S. took place in Canada, Japan and the U.K. from 1971 to 1981. The only exception was Germany. In U.S. dollar terms, unit labour costs in all four countries

Chart 7.4

Canada's Competitiveness in the Manufacturing Sector (Competitiveness Index 1970 = 100)



(1) Weighted average of unit labour costs of competing countries relative to unit labour costs in Canada, the unit labour costs being expressed in U.S. dollars.

increased faster than in the U.S. From 1971 to 1976, Canadian unit labour costs in U.S. dollar terms rose 26 per cent more rapidly, and in domestic currency terms 20 per cent more rapidly, than those in the U.S. Domestic currency unit labour costs in Canada rose less rapidly than in the U.S. from 1978 to 1980. However, in 1981 Canadian domestic currency unit labour costs again increased faster than in the U.S. Canadian unit labour costs in U.S. dollar terms increased less rapidly than in the U.S. from 1977 to 1981,

declining in absolute terms in 1977 and 1978 due partly to the large depreciation of the Canadian dollar.

While the first two panels of Table 7.7 contain a comparison of international unit labour costs, it is more useful to compare domestic unit labour costs with an appropriately weighted average of unit labour costs of Canada's competitors. The third panel of Table 7.7 and Chart 7.4 compare Canadian unit labour costs with those of its 10

Table 7.7

International Comparison of Unit Labour Costs in Manufacturing

	Canada	U.S.	Japan	U.K.	Germany
(1971-1981 average annual percentage change)					
Productivity	2.7	2.4	5.9	2.1	3.1
Average hourly earnings	10.6	8.2	12.7	15.5	7.7
Exchange rate	-1.2	—	5.0	-1.1	4.9
Unit labour costs, U.S. dollars.....	6.4	5.7	11.6	11.9	9.7

Unit Labour Costs

	Canada		United States	Japan		United Kingdom		Germany	
	Domestic currency	U.S.\$ terms	U.S.\$ terms	Domestic currency	U.S.\$ terms	Domestic currency	U.S.\$ terms	Domestic currency	U.S.\$ terms
(percentage change)									
1971.....	3.8	7.1	3.3	4.6	8.6	8.0	10.4	7.1	12.7
1972.....	4.1	6.1	2.4	8.4	23.3	10.1	11.6	6.0	15.2
1973.....	5.3	4.3	3.4	18.3	32.3	12.8	11.5	8.0	30.9
1974.....	9.8	12.2	5.1	20.4	11.5	11.2	6.5	6.4	9.0
1975.....	12.6	8.3	7.0	8.1	6.3	27.2	18.9	3.9	8.1
1976.....	11.3	14.8	5.7	8.3	8.8	18.7	-3.1	3.1	1.6
1977.....	7.9	-0.3	5.2	2.8	14.2	3.4	1.3	3.3	12.0
1978.....	4.4	-2.5	5.5	-2.0	26.9	16.7	28.4	0.9	17.6
1979.....	6.9	4.4	7.0	0.8	-5.9	13.7	25.6	3.3	12.2
1980.....	8.8	8.9	9.2	1.8	-0.1	15.4	26.1	4.0	3.7
1981.....	10.2	7.6	8.5	-0.2	1.5	8.0	-6.7	3.4	-16.4
Average									
1971-1981	7.7	6.4	5.7	6.5	11.6	13.2	11.9	4.5	9.7

(Table 7.7 cont.)

Changes in Canada's International Competitiveness in Manufacturing

	Domestic currencies	U.S. dollar terms	Period	Domestic currencies	U.S. dollar terms
	(percentage change)			(percentage change)	
1961.....	0.2	5.0	1971.....	0.0	- 2.6
1962.....	0.5	5.7	1972.....	- 0.7	- 0.9
1963.....	- 0.4	0.5	1973.....	0.1	3.7
1964.....	- 0.3	- 0.3	1974.....	- 2.5	- 5.2
1965.....	- 2.9	- 3.0	1975.....	- 3.7	- 0.3
1966.....	- 1.5	- 1.5	1976.....	- 4.0	- 8.7
1967.....	- 1.6	- 1.6	1977.....	- 2.4	6.7
1968.....	- 1.1	- 1.7	1978.....	0.8	12.8
1969.....	- 0.4	- 0.5	1979.....	0.4	2.8
1970.....	1.2	- 1.8	1980.....	0.4	0.0
			1981.....	- 1.9	- 3.7
	Total Compound Change between 1961 and 1970			Total Compound Change between 1971 and 1981	
	- 6.2	- 4.3		- 12.8	6.4

Note: For details on calculating the competitiveness index for the Canadian manufacturing industry, see the *Economic Review*, 1980 or contact the Macro-Analysis Section of the Economic Analysis Division at the Department of Finance. Negative change equals loss in competitiveness, and vice versa.

Source: Department of Finance.

major trading partners on a multilateral trade-weighted basis. A negative change in Table 7.7 is indicative of a loss in competitiveness, and vice versa.

Canada's competitive position generally deteriorated from 1965 to 1976, partly as a consequence of the increase in the value of the Canadian dollar and the relatively strong growth in Canada vis-à-vis the U.S., favouring a relatively faster increase in unit labour costs in Canada.

Substantial gains in competitiveness were realized in 1977 and 1978 due to the significant depreciation of the Canadian dollar and the slower growth in domestic currency unit labour costs. The Canadian dollar fell 15.8 per cent against the U.S. dollar between 1976 and 1979. In 1981, the appreciation of the Canadian dollar relative to the European currencies, together with the faster growth in domestic wage costs relative to the U.S., led to the first decline in competitiveness in trade in manufactured goods since 1976.

8. The Government Sector

This chapter examines the developments which took place in the government sector of the economy during 1981. The budget balance positions, revenues and expenditures of the federal government, provincial-local-hospital sector, the Canada and Quebec Pension Plans and the total government sector are reviewed. Additional information on the governments' financial requirements, public debt and debt management is provided. The analysis of the cyclically adjusted budget balance which was provided in previous issues of the *Economic Review* is updated.⁽¹⁾

Federal Government

As shown in Table 8.1 the federal deficit on a national accounts basis declined by \$3.2 billion in 1981, compared to a \$1.5 billion increase in 1980. Much of the above-average increase in revenue resulted from the introduction of new energy taxes under the National Energy Program (NEP). Interest on the public debt accounted for

a significant portion of the increase in federal government expenditure.

Table 8.2 indicates that federal revenue, which is calculated in the national accounts with the petroleum compensation charge (PCC) treated on a gross basis, rose 27.8 per cent in 1981, compared with 15.2 per cent in 1980. More than 85 per cent of this growth was due to indirect taxes and direct taxes on persons. Indirect taxes, including gross PCC revenues, grew 55.3 per cent to \$18.8 billion in 1981 compared with a 13.8-per-cent increase to \$12.1 billion in 1980. Direct taxes on persons grew 24.0 per cent to \$29.1 billion in 1981 compared to a 15.7-per-cent increase to \$23.4 billion in 1980. A number of new energy taxes were responsible for much of the total increase in indirect taxes shown in Table 8.2. The petroleum compensation charge introduced in October 1980 as part of the new blended pricing program is set to raise sufficient revenues to cover the cost of compensating refin-

Table 8.1

Federal Government Revenue, Expenditure and Net Position (National accounts basis)

	Revenue		Expenditure		Surplus or deficit (-)
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)	(millions of dollars)
1974	29,978	31.4	28,869	28.8	1,109
1975	31,703	5.8	35,508	23.0	- 3,805
1976	35,313	11.4	38,704	9.0	- 3,391
1977	36,509	3.4	43,812	13.2	- 7,303
1978	38,325	5.0	48,979	11.8	- 10,654
1979	43,461	13.4	52,674	7.5	- 9,213
1980	50,076	15.2	60,773	15.4	- 10,697
1981	63,984	27.8	71,488	17.6	- 7,504

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

⁽¹⁾ Unless otherwise stated, the information in this chapter is based on national accounts calendar year data.

Table 8.2

Federal Government Revenue
(National accounts basis)

	1980		1981	
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)
Direct taxes—persons				
Personal income taxes	19,138	17.2	23,005	20.2
Employer/employee contributions to government pension funds.....	1,179	5.6	1,358	15.2
Employer/employee contributions to unemployment insurance	3,117	11.4	4,702	50.9
Total	23,434	15.7	29,065	24.0
Direct taxes—corporations				
Corporate income taxes	8,002	16.2	7,632	— 4.6
Petroleum and gas revenue tax	0	n.a.	992	n.a.
Total	8,002	16.2	8,624	7.8
Non-resident tax	995	32.0	1,110	11.6
Indirect taxes				
Sales and other excise taxes	5,732	12.6	6,775	17.8
Oil export charge	850	18.4	975	14.7
Customs duties	3,124	3.7	3,485	11.6
Excise duties.....	984	9.6	1,171	19.0
Gasoline excise tax	441	3.0	448	1.6
Petroleum compensation charges..	766	140.9	4,265	456.8
Natural gas and gas liquids tax	0	n.a.	845	n.a.
Canadian ownership charge.....	0	n.a.	630	n.a.
Other ⁽¹⁾	234	19.4	264	12.8
Total	12,131	13.8	18,838	55.3
Investment income.....	4,718	12.4	5,401	14.5
Other revenue ⁽²⁾	796	13.2	946	18.8
Total revenue	50,076	15.2	63,984	27.8

⁽¹⁾ Other indirect taxes include the airport tax, western grain stabilization levy and miscellaneous indirect taxes.

⁽²⁾ Other revenue includes other transfers from persons and capital consumption allowances.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

ers using imported oil and domestic oil qualifying for the new oil reference price. The charge replaces the former Syncrude levy. PCC revenue in 1981 was \$3.5 billion higher than Syncrude levy revenue in 1980. The Canadian ownership

charge and the natural gas and gas liquids tax, two other energy-related taxes, accounted for \$1.5 billion of new revenue in 1981. Revenue from the sales tax and other excise taxes and duties, which are mostly *ad valorem*, grew

Table 8.3
Federal Government Expenditure
(National accounts basis)

	1980		1981	
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)
Final demand expenditure				
Current goods and services				
Wages and salaries	8,321	7.4	9,839	18.2
Other ⁽¹⁾	5,386	7.7	6,461	20.0
Total	13,707	7.5	16,300	18.9
Gross capital formation	1,014	11.3	1,044	3.0
Total	14,721	7.8	17,344	17.8
Transfers to persons				
Family allowances	1,812	6.8	1,958	8.1
OAS/GIS benefits	7,020	15.4	8,213	17.0
Unemployment insurance benefits	4,424	9.8	4,862	9.9
Other ⁽²⁾	3,318	16.6	3,810	14.8
Total	16,574	13.1	18,843	13.7
Subsidies				
Petroleum compensation payments	3,925	174.5	4,264	8.6
Other ⁽³⁾	1,561	— 12.8	2,009	28.7
Total	5,486	70.4	6,273	14.3
Capital assistance	707	29.5	761	7.6
Transfers to non-residents	804	6.3	857	6.6
Interest on the public debt	9,653	19.5	13,350	38.3
Transfers to other levels of government				
Canada Assistance Plan	1,827	17.2	2,223	21.7
Fiscal arrangements	3,756	18.2	4,154	10.6
Established Programs				
Financing	4,960	0.7	5,194	4.7
Extended health care	635	6.2	704	10.9
Other ⁽⁴⁾	1,650	10.5	1,785	8.2
Total	12,828	9.1	14,060	9.6
Total expenditure	60,773	15.4	71,488	17.6

⁽¹⁾ Other goods and services include expenditure on currently produced goods and services, capital consumption allowances and capital expenditure for defence.

⁽²⁾ Other transfers to persons include veterans' pensions and allowances, government pensions and transfers to native groups.

⁽³⁾ Other subsidies include payments to the C.B.C., transportation subsidies and agricultural subsidies.

⁽⁴⁾ Other transfers to other levels of government include grants to municipalities and territories in lieu of taxes, DREE grants to the provinces and bilingualism grants.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

broadly in line with nominal gross national expenditures (GNE) at 16.0 per cent to reach \$11.4 billion in 1981. The specific excise tax on gasoline grew 1.6 per cent to \$448 million in 1981.

Most of the increase in direct taxes on persons was due to personal income taxes, which grew 20.2 per cent to \$23.0 billion in 1981. This resulted in part from an increase in the growth rate in nominal personal income from 12.2 per cent in 1980 to 16.6 per cent in 1981. The positive difference between the growth of income per tax-filer and the 9.8-per-cent indexation factor in 1981 was another important influence. The large \$1.6 billion increase in employer/employee contributions to the unemployment insurance fund raised its rate of growth from 11.4 per cent in 1980 to 50.9 per cent in 1981. This result was due to a 33.3-per-cent increase in the contribution rates to \$1.80 (employees) and \$2.52 (employers) per \$100 of weekly insurable earnings, an 8.6-per-cent increase in maximum insurable earnings, and an increase in the insured population.

The growth in direct taxes on corporations is due entirely to the \$1 billion in new revenue from the petroleum and gas revenue tax (PGRT). Corporate profits on a national accounts basis fell 8.9 per cent in 1981 compared to a 7-per-cent increase in 1980 and, as a result, corporate income tax liabilities excluding the PGRT decreased 4.6 per cent in 1981 compared to a 16-per-cent increase in 1980. Higher interest rates were largely responsible for the 14.5-per-cent increase in federal government investment income.

As shown in Table 8.3, total federal expenditure on a national accounts basis increased 17.6 per cent in 1981 to \$71.5 billion, up \$10.7 billion from 1980. While the growth rates of transfers to other levels of government and to persons remained fairly stable, a slowing in the growth rates of subsidies and capital assistance was offset by substantial increases in the growth rates of final demand expenditures and interest on the public debt. With higher interest rates and a larger amount of outstanding debt, interest payments on the public debt grew 38.3 per cent to \$13.4 billion in 1981. This \$3.7 billion increase in interest payments accounted for 34.5 per cent of the increase in total government expenditure.

Transfer payments to persons increased 13.7 per cent to \$18.8 billion in 1981. More than half of this growth was due to increases in old age security benefits, guaranteed income supplements, and spouses' allowances. Expenditures for these benefits increase automatically because these programs are indexed quarterly to increases in the CPI. In addition, the number of recipients of the guaranteed income supplement grew quite rapidly in 1981 — the first full year of payments since the \$35 per month enrichment of this benefit effective July 1, 1980.

Transfer payments to other levels of government increased 9.6 per cent to \$14.1 billion in 1981. Approximately one-third of this increase can be attributed to the Canada Assistance Plan, which reflected higher program costs and increased case loads of welfare programs.

Final demand expenditures on goods and services increased at a high 17.8-per-cent rate to \$17.3 billion in 1981, after a low 7.5-per-cent increase in 1980. Special factors relating to the timing of certain transactions, including salary payments, appear to have influenced the 1981 growth rate. In order for Statistics Canada to conduct the 1981 census, person-year requirements for 1981 were temporarily raised by over 1,000 person-years. Excluding the census, authorized person-year growth in fiscal year 1981/82 was set at 0.6 per cent, compared to a 1.8-per-cent decline in 1980/81. In 1981 the government transferred its uranium stockpile to Eldorado Nuclear Limited, a federal Crown corporation, in exchange for equity. In the national accounts this transaction was treated as a decrease in the government inventory portion of gross capital formation and as an increase in business inventory, because Eldorado Nuclear Limited is included in the corporate sector. As a result of this transaction federal government gross capital formation registered only a small increase in 1981.

Table 8.4 extends the national accounts balance to include loans and other transactions, and thus to arrive at the financial requirements of the federal government. The "loans and other transactions" category includes loans to financial intermediary Crown corporations and other agencies which are not considered part of the federal government in the national accounts.

Table 8.4

Federal Government Financial Transactions⁽¹⁾
(Extended national accounts presentation)

	1980	1981
	(millions of dollars)	
Deficit (national accounts basis).....	- 10,697	- 7,504
Loans and other transactions		
Loans, investments and advances	- 894	- 1,043
Cash versus accruals ⁽²⁾	- 558	409
Other transactions	1,037	915
Net source or requirement (-)	- 415	281
Financial requirements		
(excluding foreign exchange transactions)	- 11,112	- 7,223
Foreign exchange transactions ⁽³⁾	758	- 1,345
Total financial requirements	- 10,354	- 8,568
Unmatured domestic debt transactions.....	11,988	12,078
Change in cash balance.....	1,634	3,510
Level of cash balances at end of period	4,150	7,660

⁽¹⁾ The national income and expenditure accounts balances are subject to revision, and the loans and other transactions series are derived from unaudited monthly data. Any imprecision in these items would also affect the residually determined cash versus accruals series.

⁽²⁾ In arriving at the national accounts surplus or deficit, certain items such as corporate income tax liabilities and the oil export charge are calculated on an accrual basis. This adjustment is required to convert the transactions to a cash basis.

⁽³⁾ Source or requirement (-).

Source: Department of Finance.

Financial requirements (excluding foreign exchange transactions) exceeded the national accounts deficit by \$415 million in 1980, but were \$281 million less than the 1981 deficit. Requirements for loans, investments and advances were \$149 million higher in 1981 while the "cash versus accruals" category provided a \$409 million source of funds, as compared to a \$558 million requirement in 1980. Other transactions in 1981 provided \$915 million, or \$122 million below the 1980 source of \$1,037 million. Within "other transactions", there was a \$182 million additional source from the provincial tax collection account, a deposit and trust account which is credited with estimated provincial income tax collections and from which payments are made to the provinces participating in the tax collection agreements. However, this was more than offset by a \$25 million reduction in the CPP

account, net of investment in provincial securities, and a \$279 million additional requirement for other assets and liabilities due to timing adjustments.

The unmaturing debt transactions do not include foreign currency borrowings. Such borrowings are recorded in foreign exchange transactions and influence the government's Canadian dollar cash balances only to the extent that such funds are used to purchase Canadian currency in the exchange market.

Debt Management

In 1981 a relatively large debt program was carried out by the federal government. The Government of Canada raised \$12.1 billion net new

funds in domestic markets in 1981 which increased outstanding Government of Canada direct and guaranteed securities from \$77.1 billion at the end of 1980 to \$89.2 billion at the end of 1981. Marketable bond issues accounted for \$4.3 billion of total net new funds raised in domestic markets and Canada Savings Bonds accounted for the remaining \$8 billion. On balance, no new funds were raised in domestic markets through the issue of Treasury bills. The total amount borrowed exceeded both the \$11.4 billion total for 1980 and the \$7.6 billion raised in 1979.

With respect to Canadian dollar debt up until November 1981, the proportion of Treasury bills and marketable bonds outstanding had been increasing steadily while the proportion of Canada Savings Bonds (CSBs) had been decreasing. These developments reflected the government's policy since early 1975 of reducing its dependence on CSBs as a source of new borrowed funds in order to reduce the proportion of CSBs in the debt structure and encourage an increase in holdings of marketable Government of Canada debt by the non-bank investing public. As a result of this policy, the proportion of CSBs to the total Canadian dollar debt had fallen from 36.4 per cent at the end of 1977 to 22.7 per cent

at December 31, 1980. In 1981, following two years of quite large net CSB redemptions, it was decided to use CSBs as a source of new funds. The CSB campaign raised more funds than anticipated because market interest rates began to decline unexpectedly after the first-year rate on the 1981/82 series was fixed at 19.5 per cent, which was in line with other interest rates at that time. As a result, the proportion of CSBs outstanding in total domestic Government of Canada direct and guaranteed securities increased to 28.7 per cent by the end of 1981, about the same proportion as at the end of 1979. CSBs as a proportion of non-bank general public holdings of Canada debt rose from 35.1 per cent in 1980 to 41.7 per cent in 1981, following six years of decline since their 1974 peak of 74.0 per cent (Table 8.6).

The \$4.3 billion in new funds realized in 1981 through the issue of domestic marketable bonds was markedly lower than the \$7.2 billion raised in 1980 as the very large net CSB sales limited the need to raise new funds through marketable bond issues. Despite an often unsettled bond market and volatile prices, Canada bond issues were generally well received throughout the year. This was primarily owing to the large amount of funds available for investment and the flexibility

Table 8.5
**Outstanding Government of Canada
Direct and Guaranteed Securities⁽¹⁾**
(Denominated in Canadian dollars)

	December 31, 1979		December 31, 1980		December 31, 1981	
	(billions of dollars)	(per cent)	(billions of dollars)	(per cent)	(billions of dollars)	(per cent)
Treasury bills.....	15.2	23.2	20.7	26.9	20.7	23.2
Marketable bonds	31.5	47.9	38.7	50.2	43.0	48.2
Canada Savings Bonds ..	18.9	28.8	17.6	22.8	25.6	28.7
Total.....	65.7	100.0	77.1	100.0	89.2	100.0

Note: Numbers may not add due to rounding.

⁽¹⁾ These numbers include direct and guaranteed securities and are obtained from the *Bank of Canada Review*. Consequently, they may differ from the numbers in Table 8.4 which are obtained from the *Statement of Financial Operations* and which are net of the government's own holdings.

Source: Department of Finance.

Table 8.6

**Non-Bank General Public Holdings of
Government of Canada Direct and Guaranteed Securities
(Denominated in Canadian dollars)**

	December 31, 1979		December 31, 1980		December 31, 1981	
	(billions of dollars)	(per cent)	(billions of dollars)	(per cent)	(billions of dollars)	(per cent)
Treasury bills.....	4.0	9.8	7.6	15.1	6.8	11.1
Marketable bonds	18.1	44.1	25.0	49.8	29.0	47.2
Canada Savings Bonds ..	18.9	46.1	17.5	35.1	25.6	41.7
Total.....	41.0	100.0	50.2	100.0	61.4	100.0

Source: Department of Finance.

of the government's debt program. Investors continued to direct their funds towards extendible bonds in the volatile interest rate environment, limiting their investment in the long-term bond market.

The marketable bond program consisted of eight issues in total, one fewer than in each of the previous two years. However only 24.0 per cent of the bonds issued in 1981 had a term to maturity in excess of 10 years. This compares with 34.0 per cent in 1980 and 60 per cent in 1979. Extendible bonds were the dominant form of bonds issued during 1981, constituting just over \$4 billion or 61.0 per cent of total marketable Canada bonds issued. The extendible issues had an initial maturity of 3½ to five years and are exchangeable, at the option of the holder, for bonds bearing the same interest coupon and maturing five or seven years later.

No net new funds were raised through the issue of Treasury bills in 1981, in sharp contrast to the increased emphasis on this debt instrument in recent years. This development reflects the impact of the CSBs on the debt program as the amount of Treasury bills outstanding was built up in the previous two fiscal years to meet CSB redemptions, whereas in 1981 they were not built up as a result of the very large net CSB sales in the fall of 1981. The shift in emphasis away from Treasury bills illustrates the more flexible features of the debt program and is highlighted by the fact that during the final quarter of 1981 total Treas-

ury bills maturing exceeded new issues of such bills by almost \$2.2 billion. This development also illustrates the adaptability of the debt program to changing market conditions.

The non-bank general public continued to play an increasingly significant part in the government's debt financing, increasing its holdings of Government of Canada debt by \$11.2 billion in 1981, compared to \$9.2 billion and \$5.9 billion in 1980 and 1979 respectively. This sector's holdings of CSBs rose sharply in 1981, in contrast to the decline of recent years, as investors responded to the attractive rate of return offered on these bonds. Thus the general public purchased, on balance, \$8 billion of CSBs. In contrast, the general public acquired, on balance, only \$3.2 billion of marketable Government of Canada securities, or 74.0 per cent of the total offered in 1981 compared to 83.0 per cent in 1980.

As a result of the CSB campaign in 1981 gross sales of about \$12.8 billion were realized, up sharply over the \$3.2 billion produced in the 1980 campaign. Net sales during the campaign period, after allowance for redemptions of outstanding issues, amounted to \$11.5 billion compared to \$1.5 billion in 1980. The terms of the CSBs announced on September 11, 1981 offered a rate of 19.5 per cent in the first year and a minimum rate of 10.5 per cent in each of the remaining six years.

The government undertook one foreign currency loan in the bond markets in 1981. In November it borrowed U.S. \$300 million through a private placement with the Saudi Arabian Monetary Agency. The offering consisted of a single maturity of 5-year 16.25-per-cent (semi-annual) bonds dated November 3, 1981 and due November 3, 1986. There were also several drawings made in 1981 on the standby credit facility with Canadian banks, to bolster foreign exchange reserves. In February, a drawing of U.S. \$300 million was made on this facility and an equal and offsetting repayment under the standby credit facility with U.S. and other foreign banks was effected. In May, July and August the government drew down U.S. \$300 million, U.S. \$700 million and U.S. \$500 million respectively on its \$3.5 billion standby credit facility with the chartered banks. By year-end all of these loans had been repaid. No drawings were outstanding under the facility with U.S. and other foreign banks.

The reference tables provide details of new issues and retirements of Government of Canada mar-

ketable debt in 1981 and changes in marketable securities and CSBs outstanding.

While the borrowing requirements discussed above were on a calendar year basis, data on public debt are shown in the public accounts on a fiscal year basis. Federal government domestic unmatured debt transactions and foreign borrowings increased total unmatured debt outstanding by \$5.4 billion in 1979/80 and \$11.1 billion in 1980/81 as indicated in the reference tables. As a percentage of GNP, total unmatured debt outstanding increased from 25.6 per cent in 1979/80 to 26.3 per cent in 1980/81 in part as a result of an increase in cash balances and a substantial net requirement for funds from foreign exchange transactions. Net debt increased from 23.9 per cent of GNP in 1979/80 to 24.8 per cent in 1980/81. Net debt charges (gross public debt charges less return on investment) increased from 2.0 per cent of GNP in 1979/80 to 2.3 per cent in 1980/81 while gross debt charges increased from 3.3 per cent of GNP to 3.7 per cent over the same time period.

Table 8.7

**Provincial-Local Government (Including Hospitals)
Revenue, Expenditure and Net Position
(National accounts basis)**

	Revenue		Expenditure		Balance		
					All provinces	Sask., Alta. and B.C.	Other provinces ⁽¹⁾
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)	(millions of dollars)	(millions of dollars)	(millions of dollars)
1973	26,420	14.1	27,024	13.1	- 604	298	- 902
1974	32,630	23.5	32,715	21.1	- 85	799	- 884
1975	37,426	14.7	39,673	21.3	- 2,247	377	- 2,624
1976	43,423	16.0	45,437	14.5	- 2,014	935	- 2,949
1977	51,102	17.7	51,042	12.3	60	1,886	- 1,826
1978	57,886	13.3	56,635	11.0	1,251	3,003	- 1,752
1979	64,221	10.9	63,392	10.2	1,829	3,235	- 1,406
1980	71,829	11.8	70,117	12.4	1,712	3,853	- 2,141
1981	80,801	12.5	78,743	12.3	2,058	3,951	- 2,147

⁽¹⁾ Includes Yukon and Northwest Territories.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001, and *Provincial Economic Accounts*, annual, cat. 13-213; and Department of Finance.

Provincial and Local Governments

The surplus of the provincial-local government sector including hospitals increased 20.2 per cent to slightly more than \$2 billion in 1981, on a national accounts basis. Thus, as shown in Table 8.7, there was a resumption of the half-decade

trend to larger surpluses which had been interrupted in 1980. This sector's total revenue increased 12.5 per cent in 1981, a rate 0.7 of a percentage point above that of 1980 (Table 8.8). Discretionary tax increases, with an impact of over \$1 billion in 1981, contributed to the faster rate of growth of revenues. The growth rate of

Table 8.8

Provincial-Local Government (Including Hospitals) Revenue (National accounts basis)

	1980		1981	
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)
Direct taxes—persons				
Personal income tax.....	12,989	14.5	15,672	20.7
Other ⁽¹⁾	2,402	9.4	2,618	9.0
Total	15,391	13.7	18,290	18.8
Direct taxes—corporations.....	3,606	14.8	3,413	— 5.4
Indirect taxes				
Retail sales tax	6,104	8.6	7,060	15.7
Gasoline tax	1,878	8.4	2,273	21.0
Tobacco tax	717	9.1	858	19.7
Local property tax	9,359	10.3	10,384	11.0
Other ⁽²⁾	5,945	10.5	6,671	12.2
Total	24,003	9.7	27,246	13.5
Investment income				
Natural resource royalties ⁽³⁾	5,543	18.9	5,653	2.0
Other ⁽⁴⁾	4,296	14.0	5,130	19.4
Total	9,839	16.7	10,783	9.6
Other own-source revenue	6,162	12.4	7,009	13.7
Total own-source revenue	59,001	12.5	66,741	13.1
Federal cash transfers	12,828	9.1	14,060	9.6
Total revenue	71,829	11.8	80,801	12.5

⁽¹⁾ Other direct taxes on persons include: estate taxes, public service pension contributions and employer and employee workmen's compensation contributions.

⁽²⁾ Other indirect taxes include: motor vehicle licences, profits of provincial liquor boards, amusement taxes, licences, fees and permits, interest and tax penalties and miscellaneous indirect taxes.

⁽³⁾ Includes remittances from the British Columbia Petroleum Corporation.

⁽⁴⁾ Other investment income includes: interest earnings on government held financial assets, imputed banking services and remitted profits from Crown corporations other than the British Columbia Petroleum Corporation.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

expenditures declined 0.1 of a percentage point to 12.3 per cent in 1981, returning to below the rate of growth of nominal GNP (Table 8.9). The trend towards a larger surplus in the western provinces of British Columbia, Alberta and Saskatchewan continued, as the surplus for this region rose slightly to nearly \$4.0 billion in 1981. In the other provinces from Manitoba to Newfoundland the national accounts deficits remained constant at about \$2.1 billion in 1981.

Total provincial-local government revenues from their own sources grew 13.1 per cent in 1981. If investment income revenues and the change in revenues resulting from provincial tax measures were excluded, the rate of growth of own-source revenues would have been 11.8 per cent, a rate somewhat below the 13.3-per-cent growth in nominal GNP in 1981. Above-average growth rates for direct taxes on persons, retail sales taxes, gasoline taxes, tobacco taxes and interest earnings were offset by below-average growth

rates for corporate income taxes, natural resource royalties and local property taxes.

Direct taxes on persons increased 18.8 per cent in 1981 compared to 13.7 per cent in 1980. While the slower growth in 1980 reflected some discretionary cuts in personal income taxes, the stronger growth in 1981 reflected a discretionary rate increase in Ontario and a doubling of the employer contribution rate to the payroll tax for health services in Quebec. In addition, taxable personal incomes grew relatively strongly in 1981. The slowdown in economic activity in the last few months of 1981 was reflected in a reduction in corporate profits of 8.9 per cent in 1981. The decline in corporate profits together with some minor discretionary reductions in corporate taxes caused direct corporate tax revenues to fall 5.4 per cent in 1981.

The higher growth rate of indirect taxes in 1981 (13.5 per cent compared to 9.7 per cent in 1980)

Table 8.9

**Provincial-Local Government (Including Hospitals) Expenditure
(National accounts basis)**

	1980		1981	
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)
Final demand expenditure				
Current goods and services				
Wages and salaries	32,633	14.5	36,808	12.8
Other ⁽¹⁾	11,486	7.8	12,964	12.9
Total	44,119	12.7	49,772	12.8
Gross capital formation	7,070	8.0	7,887	11.6
Total final demand	51,189	12.0	57,659	12.6
Transfers to persons	11,167	16.4	12,097	8.3
Subsidies and capital assistance	1,695	5.6	1,827	7.8
Interest on the public debt	6,066	10.4	7,160	18.0
Total expenditure	70,117	12.4	78,743	12.3

⁽¹⁾ Other current expenditures on goods and services include medicare, depreciation and miscellaneous expenditures.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

can be attributed to increases in tax bases and some discretionary indirect tax measures introduced in 1981. In British Columbia the retail sales tax rate was increased from 4 to 6 per cent. During the year Newfoundland, New Brunswick, Ontario and British Columbia shifted from specific to *ad valorem* motive fuel taxation, and Quebec increased its tax rate on fuel from 20 to 40 per cent. As a result, gasoline tax revenues grew 21.0 per cent in 1981 compared to 8.4 per cent in 1980. The shift to taxing cigarettes on an *ad valorem* basis in Newfoundland, New Brunswick, Ontario and British Columbia, combined with other discretionary tax increases on alcohol and tobacco, raised such revenues by nearly \$100 million in 1981.

The growth rate of natural resource royalties was significantly lower in 1981. The Alberta oil cut-backs in the months prior to the federal-provincial energy agreements, combined with lower oil production in Saskatchewan and British Columbia, lower domestic demand for natural gas, and a decrease in natural gas exports, were all important in explaining this development. For the year as a whole, these factors more than offset the impact of the federal-provincial oil and gas pricing and revenue-sharing agreements, which yielded about \$110 million in extra revenues to the three main producing provinces.

The growth rate of provincial-local government expenditures returned to below that of nominal GNP in 1981. Table 8.9 records the components of this expenditure growth. Despite lower budgetary and non-budgetary requirements, higher borrowing combined with markedly higher interest rates raised the rate of growth of interest payments on public debt to 18.0 per cent. Such payments were \$7.2 billion in 1981. Government sector wages and salaries grew 12.8 per cent in 1981, down slightly from 14.5 per cent in 1980. While employment grew slightly faster than that of the national economy, average provincial-local government wage rates grew slightly slower than those for the economy as a whole. Total employment in the areas of public administration, education, hospitals and welfare rose 3.3 per cent in the first seven months of 1981 from the corresponding period of the previous year. Contrasted to expansions in employment in hospitals and welfare of 8.7 per cent and in education of 2.6 per cent, employment in public administration

declined 3.4 per cent in 1981. As a result of relatively high levels of economic activity and in-migration, the growth rate of employment in the provincial-local hospital sector in British Columbia, Alberta and Saskatchewan was 6.3 per cent compared to 2.3 per cent for the rest of Canada. The 11.6-per-cent rate of growth of capital formation in the provincial-local government sector primarily reflected above-average investment in equipment, schools, and provincial and municipal building in western Canada. At the same time, investment expenditures were somewhat constrained by high interest rates and an uncertain environment, which on occasion interrupted borrowing programs.

Borrowing requirements of the provincial-local government sector amounted to \$11.3 billion or 3.9 per cent of nominal GNP in 1980. The ratio of borrowing requirements to GNP had peaked at 7.1 per cent in the middle of the 1970s and declined to 3.5 per cent in 1979. As shown in Table 8.10, the first three quarters of 1981 saw an increase in borrowing requirements of more than \$2 billion, a 0.4-percentage-point increase in the ratio of borrowing requirements to GNP over the corresponding period a year earlier.

Within the government sector, relatively stable net budgetary positions combined with a decrease in net new illiquid financial assets and a substantial increase in cash balances, left direct borrowing requirements \$1.7 billion higher in the first three quarters of 1981 than in the corresponding period in 1980. Borrowing by government-owned enterprises for capital formation and cash balances was \$0.7 billion higher for the first three quarters of 1981 than in the corresponding period of 1980. Together, government direct and guaranteed enterprise financing requirements fell \$0.8 billion to \$6.2 billion in the provincial-local sector, while net new cash balances rose \$3.1 billion in the first three quarters of 1981. As a percentage of GNP, internally-generated enterprise funds fell 0.1 of a percentage point in the first three quarters of 1981 compared to the same period in 1980. While total net borrowing increased by \$2.2 billion in the first three quarters of 1981 to \$9.8 billion, bond borrowing in foreign markets increased by \$2.5 billion to a level of \$2.7 billion over the same period. Net new holdings of bonds by the Canada and Quebec Pension Plans and provincial and local governments

Table 8.10

**Provincial-Local Government (Including Hospitals) and Enterprise
Borrowing Requirements and Financing⁽¹⁾
(Financial flow accounts basis)**

	1980	Jan.-Sept.			Jan.-Sept.	
	1980	1980	1981	1980	1980	1981
	(millions of dollars)			(percentage of GNP)		
Requirements (—)						
Government						
Budgetary surplus or deficit (—)	1,712	1,596	1,570	0.6	0.7	0.6
Net new non-cash financial assets	— 8,199	— 4,506	— 3,430	— 2.8	— 2.1	— 1.4
Increases in cash balances (—)	112	— 1,026	— 3,760	0.0	— 0.5	— 1.5
Direct borrowing requirements	— 6,375	— 3,936	— 5,620	— 2.2	— 1.8	— 2.3
Enterprise						
Internally generated funds	2,764	2,070	2,096	1.0	1.0	0.9
Capital formation	— 8,179	— 6,136	— 6,440	— 2.8	— 2.9	— 2.6
Increases in cash balances (—)	— 30	— 335	— 727	0.0	— 0.2	— 0.3
Enterprise borrowing	— 5,445	— 4,401	— 5,071	— 1.9	— 2.1	— 2.1
Net borrowing						
Domestic						
Bank and other short term ⁽²⁾	1,631	734	897	0.6	0.3	0.4
Other (excluding claims on associated enterprises)	— 91	— 123	573	0.0	— 0.1	0.2
Bonds by holder	9,751	7,024	8,312	3.4	3.3	3.4
Persons and unincorporated business	883	1,122	— 325	0.3	0.5	— 0.1
Provincial and local governments ..	3,171	1,855	2,375	1.1	0.9	1.0
Canada Pension Plan	1,901	1,536	1,745	0.7	0.7	0.7
Caisse de dépôts and other provincial government institutions	1,019	679	588	0.4	0.3	0.2
Insurance, pensions and other Canadian	2,189	1,603	1,232	0.8	0.7	0.5
Rest of world	588	229	2,697	0.2	0.1	1.1
Total net borrowing ⁽³⁾	11,291	7,635	9,782	3.9	3.6	4.0

⁽¹⁾ Since complete data for 1981 will not be available until after the *Review* is published, this table provides information for 1980 and, for comparison purposes, the data for the first nine months of 1980 and 1981.

⁽²⁾ Consists of all domestic and foreign-pay loans, trade payables, finance, and other short-term paper.

⁽³⁾ The total of government and enterprise requirements exceeds total net borrowing because the former includes claims on associated enterprises.

Source: Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002, and *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

themselves remained stable relative to GNP. Net new purchases of bonds by persons and private sector insurance and pension funds declined relative to GNP, reflecting an altered competitiveness among financial instruments, in an environment in which provincial bond yields rose in 1981 to a record average of 16.0 per cent compared to 13.0 per cent in 1980.

Canada and Quebec Pension Plans

The Canada and Quebec Pension Plans (C/QPP) surplus totalled \$3,213 million in 1981. However, the rate of growth of the surplus slowed to 7.0 per cent from 11.5 per cent in 1980. As Table 8.11 shows, between 1980 and 1981 the rate of growth of total revenues slowed by 1.9 percent-

Table 8.11

Canada and Quebec Pension Plans Revenue, Expenditure and Net Position (National accounts basis)

	1980		1981	
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)
Revenue				
Contributions				
CPP	2,604	12.3	3,008	15.5
QPP	937	21.8	963	2.8
Investment income				
CPP	1,475	18.9	1,797	21.8
QPP	653	21.2	731	11.9
Total revenue	5,669	16.5	6,499	14.6
Expenditure				
Goods and services				
CPP	58	16.0	89	53.4
QPP	29	20.8	31	6.9
Benefits to residents				
CPP	1,903	24.0	2,322	22.0
QPP	664	19.9	828	24.7
Benefits to non-residents	13	18.2	16	23.1
Total expenditure	2,667	22.7	3,286	23.2
Surplus				
CPP	2,105	7.2	2,378	13.0
QPP	897	22.9	835	- 6.9
Total surplus	3,002	11.5	3,213	7.0

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

age points while the rate of growth of total expenditures increased marginally. For the first nine months of the year, provincial borrowing from the surpluses of the CPP amounted to \$1,745 million (see Table 8.10).

The growth rate of total revenues declined from 16.5 per cent in 1980 to 14.6 per cent in 1981. While the growth rate of contributions to the CPP increased from 12.3 per cent in 1980 to 15.5 per cent in 1981, for the QPP this growth rate slowed substantially from 21.8 per cent in 1980 to 2.8 per cent in 1981. As a share of total revenues, investment income, a secondary source of revenue for the C/QPP, increased from 37.5 per cent in 1980 to 38.9 per cent in 1981. However, while the investment income of the CPP maintained its rapid rate of growth in 1981, that of the QPP fell from 21.2 per cent in 1980 to 11.9 per cent in 1981. As in previous years, the rate of growth of investment income has been dependent on the increasing stock of interest-bearing assets of the C/QPP and high interest rates.

The C/QPP expenditures, which include benefits and administrative expenses, continued to grow more rapidly than revenues in 1981. The rate of

growth of total expenditures was also marginally higher in 1981 than in 1980. This was primarily due to an increase in the rate of growth of benefits paid to the beneficiaries of the QPP, although there was also a decrease in the rate of growth of benefits paid to the beneficiaries of the CPP. The June-over-June rate of growth of the number of CPP beneficiaries decreased from 12.0 per cent in 1980 to 8.1 per cent in 1981. For the same two years, the rates of growth of the number of beneficiaries receiving retirement pensions were 14.5 per cent and 8.0 per cent respectively. In addition, of those receiving retirement pensions there has been a growing number of people who have contributed for at least 10 years and who are therefore eligible for maximum benefits. Benefits are fully indexed with the indexation factor for 1981 being 9.8 per cent.

Total Government Sector

Tables 8.12 to 8.14 provide data on revenue, expenditure and the budget balance position for the entire government sector. The deficit decreased \$3.8 billion in 1981 after increasing \$1.3 billion in 1980. Total revenue growth increased 5.8 percentage points in 1981 to 19.6

Table 8.12

Total Government Revenue, Expenditure and Net Position (National accounts basis)

	Revenue		Expenditure		Surplus or deficit (-)
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)	(millions of dollars)
1973.....	46,297	16.3	45,045	13.4	1,252
1974.....	58,756	26.9	55,961	24.2	2,795
1975.....	64,239	9.3	68,288	22.0	- 4,049
1976.....	73,496	14.4	76,718	12.3	- 3,222
1977.....	81,310	10.6	86,315	12.5	- 5,005
1978.....	89,567	10.2	96,521	11.8	- 6,954
1979.....	100,795	12.5	105,486	9.3	- 4,691
1980.....	114,746	13.8	120,729	14.5	- 5,983
1981.....	137,224	19.6	139,457	15.5	- 2,233

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

Table 8.13

Total Government Revenues
(National accounts basis)

	1980		1981	
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)
Direct taxes—persons.....	42,366	14.9	51,326	21.1
Direct taxes—corporations	11,608	15.8	12,037	3.7
Indirect taxes	36,134	11.1	46,084	27.5
Investment income	16,685	15.8	18,712	12.1
Other revenue	7,953	11.7	9,065	14.0
Total revenue	114,746	13.8	137,224	19.6

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

Table 8.14

Total Government Expenditures
(National accounts basis)

	1980		1981	
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)
Final demand expenditure				
Current goods and services				
Wages and salaries	40,954	12.9	46,647	13.9
Other	16,959	7.8	19,545	15.2
Total	57,913	11.4	66,192	14.3
Gross capital formation	8,084	8.4	8,931	10.5
Total	65,997	11.0	75,123	13.8
Transfers to persons	30,308	15.1	34,090	12.5
Subsidies and capital assistance	7,888	46.8	8,861	12.3
Transfers to non-residents	817	6.5	873	6.8
Interest on public debt	15,719	15.8	20,510	30.5
Total expenditures	120,729	14.5	139,457	15.5

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13001.

per cent. This high growth rate occurred because of large increases in indirect taxes and because of increased economic activity which was accompanied by large increases in personal income tax revenues. These increases were offset to some extent by a marked decline in the rate of growth of corporate tax revenues coupled with a smaller decline in the rate of growth of investment income. Even with an increase of 1.0 percentage point to a 15.5-per-cent rate, growth of total expenditures by all governments fell below the rate of growth of revenues by 4.1 percentage points. While the growth rate of subsidies and capital assistance fell, that of interest payments on the public debt doubled. Subsidies and capital assistance increased 12.3 per cent in 1981 compared to 46.8 per cent in 1980. The growth of interest payments on the public debt increased from 15.8 per cent in 1980 to 30.5 per cent in 1981, mainly as a result of increased interest rates and despite a substantial reduction in the

deficit. The rise in the rate of growth of current wages and other expenditures of 2.9 percentage points, combined with a rise in gross capital formation growth of 2.1 percentage points, left the rate of growth of total final demand expenditures in 1981 at 13.8 per cent, 2.8 percentage points higher than in the previous year.

Budget Balances

The federal budget deficit decreased \$3.2 billion to \$7.5 billion, or 2.3 per cent of GNP, in 1981 after increasing \$1.5 billion to 3.7 per cent of GNP in 1980. The deficit of the total government sector declined \$3.8 billion to \$2.2 billion, or 0.7 per cent of GNP, in 1981 after increasing \$1.3 billion to 2.1 per cent of GNP in 1980. The budget balances are sensitive to the level of economic activity. Thus they will reflect automatic changes in revenues and expenditures when the level of economic activity rises or falls. An

Table 8.15

**Actual and Cyclically-Adjusted Budget Balances
Federal and Consolidated Government Sectors
(National accounts basis)**

	Actual balances (surplus or deficit (—))		Cyclically-adjusted balances (surplus or deficit (—))	
	Federal government	All governments	Federal government	All governments
(millions of dollars)				
1977	— 7,303	— 5,005	— 6,084	— 3,455
1978	— 10,654	— 6,954	— 9,060	— 4,955
1979	— 9,213	— 4,691	— 7,942	— 2,887
1980	— 10,697	— 5,983	— 7,101	— 575
1981	— 7,504	— 2,233	— 3,191	4,162
(as a percentage of GNP) ⁽¹⁾				
1977	— 3.5	— 2.4	— 2.9	— 1.6
1978	— 4.6	— 3.0	— 3.9	— 2.1
1979	— 3.5	— 1.8	— 3.0	— 1.1
1980	— 3.7	— 2.1	— 2.3	— 0.2
1981	— 2.3	— 0.7	— 0.9	1.2

⁽¹⁾ Actual balances are taken as a percentage of GNP, while cyclically-adjusted balances are taken as a percentage of cyclically-adjusted GNP.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001, and Department of Finance.

approximate calculation can be made of the budget balance which would prevail with the existing tax and expenditure structures had the economy been operating at an average level of activity. This is the cyclically-adjusted budget balance, and a comparison of it with the actual balance yields an estimate of the proportion of the deficit that is due to the automatic response of revenue and expenditure systems. For the estimates presented here, average levels of economic activity are represented by a level of current dollar GNP produced by applying the actual level of prices to an assumed level of real GNP based on the economy's longer-run trend growth path which reflects, among other things, changing trends in labour force growth.

On the basis of an assumed trend growth rate for real GNP of 3.1 per cent in 1981, the cyclically-adjusted federal deficit is estimated to have declined from 2.3 per cent of GNP in 1980 to 0.9 per cent of GNP in 1981. On a cyclically-adjusted basis, the balance of the total government sector also swung significantly from a deficit of \$575

million in 1980 to a surplus of \$4.2 billion in 1981. This is the third year in a row in which the cyclically-adjusted budget deficits of both the federal and total government have declined. The shift to a less expansionary fiscal stance was particularly strong in 1981.

Calculations of cyclically-adjusted budget balances depend on the assumptions made about the average level of economic activity, which in turn depend on the assumptions made about unemployment rates and the rate of growth of labour productivity. The 1981 cyclically-adjusted balances depend on an assumed cyclically-adjusted unemployment rate of 6.3 per cent and an average rate of growth of labour productivity of 0.5 per cent. The uncertainties associated with measuring these variables and the average level of economic activity which is dependent on them warrant the caution that the cyclically-adjusted budget balances should only be used as a rough indicator of a shift in the underlying fiscal stance between adjacent years.

9. International Comparisons

It is useful to place Canadian developments in an international perspective. After having entered a recession the year earlier, many of the Organization for Economic Cooperation and Development (OECD) countries remained weak in 1981. While there were considerable variations, in most countries output continued to decline or stagnate. In comparison, real GNP advanced at moderate rates in Canada, Japan and the United States. The continued weakness in demand in many of the OECD countries was accompanied by further increases in unemployment. Together with the stabilization in energy prices and the fall in commodity prices, this contributed to a general downswing in inflationary pressures. In Canada the rate of inflation increased in 1981, probably temporarily, partly as a result of a need to absorb large domestic energy price increases. The concerted efforts in a number of countries towards further tightening of monetary policies, in response to inflationary pressures and/or in order to support the exchange rate at a time of high interest rates in the U.S., led to record interest rate levels in both real and nominal terms in 1981. However, differences in degree of monetary tightness and in economic conditions resulted in some realignment of exchange rates. Restrictive fiscal action led to a decline in budget deficits as percentages of GNP in several countries.

Real Output Growth

Real output rose 3.0 per cent in Canada in 1981 after remaining stagnant in 1980. This compares with increases averaging 1.2 per cent in the seven major OECD economies and 1.3 per cent for the OECD as a whole (Table 9.1). Few countries showed larger increases, and even fewer a sharper turnaround, than did Canada. The profile of output varied considerably among countries nonetheless. Real output fell in Germany and the U.K. and stagnated in France and Italy. A 3.8-per-cent increase was posted in Japan but this represented a modest slowing relative to 1980. Except for the U.S. and Canada, where output began to decline, a pick-up in momentum was noted in most of the OECD in the latter part of

1981. For European economies generally, the recession continued until the first part of 1981 when a swing in export volumes, particularly to Organization of Petroleum Exporting Countries (OPEC), and the resulting improvement in foreign balances, offset the weakness of domestic demands. In a number of countries, a reduction in interest rates and a relaxation of policy resulted in some strengthening in domestic demands in the second half of the year. The North American economies followed a different profile. In the U.S. a downturn in early 1980 was followed by an upturn in the second half of the year which carried over into the opening quarter of 1981 but then dissipated. In the second and third quarters, movements in output were modest and offsetting. This was followed by a sharp downturn in the closing quarter. In Canada real growth was strong in the first two quarters of 1981, followed by weakness in the last two quarters.

Labour Markets

Labour market conditions deteriorated in most of the OECD countries in 1981 with total OECD unemployment rising from 21.4 million to over 25.0 million and unemployment rates reaching record levels in a number of countries. Among the seven major countries, only in Canada was there a significant employment gain; the 0.1-percentage-point increase in Canada's unemployment rate to 7.6 per cent was also the smallest increase in the major economies. In the U.S. the standardized unemployment rate rose 0.4 of a point to reach 7.4 per cent. Europe, particularly Germany and the U.K., posted the largest increases in unemployment. The significant rise in the proportion of unemployed in Europe who had been out of work for six months or more also attests to the particularly serious deterioration in labour market conditions. The unemployment problem remained acute in most countries throughout the year. The weakness mirrored the generally weak profile of output in the early quarters. Even as output turned upward during the course of the year, the cyclical recovery of labour productivity blunted the upturn in employment. In

Table 9.1

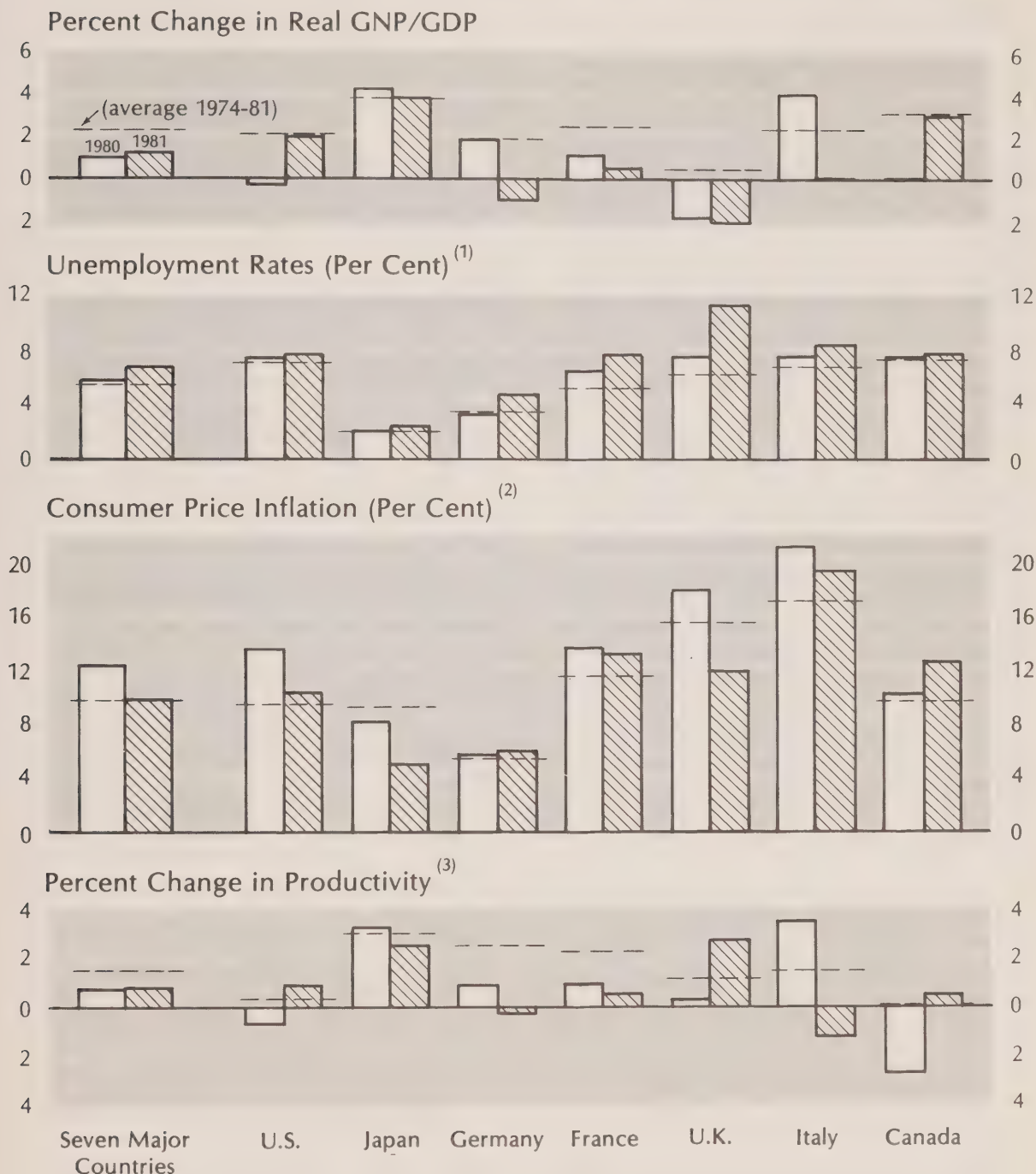
Evolution of Selected OECD Economic Indicators 1974-81

	Average 1974-81	1974	1975	1976	1977	1978	1979	1980	1981
	(per cent)								
Growth of real GNP/GDP									
United States.....	2.4	-0.6	-1.1	5.4	5.5	4.8	3.2	-0.2	2.0
Japan	3.8	-1.0	2.3	5.3	5.3	5.0	5.5	4.2	3.8
Germany.....	1.9	0.5	-1.8	5.2	3.0	3.2	4.4	1.8	-1.0
France.....	2.6	3.2	0.2	5.2	3.1	3.7	3.5	1.2	0.5
United Kingdom	0.5	-1.0	-0.6	3.6	1.3	3.3	1.4	-1.8	-2.0
Italy	2.5	4.1	-3.6	5.9	1.9	2.7	4.9	4.0	0.0
Canada.....	2.8	3.6	1.2	5.5	2.1	3.7	3.0	0.0	3.0
Seven major countries	2.4	0.3	-0.5	5.2	4.1	4.0	3.5	1.0	1.2
Total OECD	2.4	0.9	-0.4	4.9	3.7	3.8	3.4	1.2	1.3
Unemployment rates⁽¹⁾									
United States.....	7.0	5.4	8.3	7.5	6.9	5.9	5.7	7.0	7.4
Japan	2.0	1.4	1.9	2.0	2.0	2.2	2.1	2.0	2.2
Germany.....	3.4	1.6	3.7	3.7	3.7	3.5	3.2	3.1	4.3
France.....	5.1	2.8	4.1	4.4	4.7	5.2	5.9	6.3	7.6
United Kingdom	6.1	2.9	3.9	5.5	6.2	6.1	5.7	7.4	11.2
Italy	6.9	5.3	5.8	6.6	7.0	7.1	7.5	7.4	8.3
Canada.....	7.3	5.3	6.9	7.1	8.1	8.4	7.5	7.5	7.6
Seven major countries	5.3	3.7	5.4	5.4	5.4	5.1	4.9	5.6	6.4
Consumer price inflation⁽²⁾									
United States.....	9.4	11.0	9.1	5.7	6.5	7.6	11.3	13.5	10.3
Japan	9.3	24.5	11.8	9.3	8.1	3.8	3.6	8.0	4.9
Germany.....	5.2	7.0	6.0	4.5	3.7	2.7	4.1	5.5	5.9
France.....	11.4	13.7	11.8	9.6	9.4	9.1	10.8	13.6	13.4
United Kingdom	15.5	16.0	24.2	16.5	15.8	8.3	13.4	18.0	11.9
Italy	17.1	19.1	17.0	16.8	18.4	12.1	14.8	21.2	19.5
Canada.....	9.7	10.9	10.8	7.5	8.0	8.9	9.1	10.2	12.5
Seven major countries	9.9	13.3	11.0	8.0	8.1	7.0	9.3	12.2	10.1
Productivity growth⁽³⁾									
United States.....	0.3	-2.6	0.0	1.9	1.7	0.4	0.3	-0.6	0.9
Japan	3.0	-0.8	2.7	4.4	3.9	3.8	4.2	3.2	3.0
Germany.....	2.5	2.4	1.8	6.3	3.0	2.8	3.1	0.9	0.0
France.....	2.3	2.4	1.3	4.5	2.2	3.3	3.4	2.3	1.5
United Kingdom	1.2	-1.6	-0.2	4.6	0.7	3.0	0.5	-0.8	2.8
Italy	1.3	1.9	-4.2	5.1	0.8	2.2	3.6	2.0	-0.5
Canada.....	-0.3	-0.5	-0.5	3.4	0.3	0.3	-0.9	-2.7	0.4
Seven major countries	1.3	-0.7	0.5	3.6	2.1	1.9	1.8	0.6	1.2

⁽¹⁾ As standardized by the OECD for comparability.⁽²⁾ As represented by annual increases in the consumer price index.⁽³⁾ Defined as output per person employed. Averages are calculated using real GNP/GDP weights used by the OECD.Source: OECD, *Economic Outlook*, December 1981, updated in some cases with more recent information; Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; *The Labour Force*, monthly, cat. 71-001; and *Consumer Prices and Price Indexes*, quarterly, cat. 62-010.

Chart 9.1

International Comparison of Real Growth, Unemployment, Inflation and Productiity in 1980 and 1981



(1) As standardized by the OECD for comparability. Data for Germany, France and the U.K. are affected but not for the U.S., Japan, Italy or Canada.

(2) As represented by annual increases in the consumer price index.

(3) Defined as output per person employed.

Sources: OECD, *Economic Outlook*, December 1981, updated in some cases with more recent information; Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; and *The Labour Force*, monthly, cat. 71-001; and *Consumer Prices and Price Indexes*, quarterly, cat. 62-010.

North America, the downturn in the economies in the second half of the year was accompanied by sharp declines in employment and increases in unemployment.

Inflation

As measured by the annual percentage change in the CPI, the rate of inflation rose 2.3 percentage points to 12.5 per cent in Canada in 1981. In the seven major countries, the inflation rate fell from 12.2 per cent in 1980 to 10.1 per cent in 1981. It fell by a third to 11.9 per cent in the U.K. and by 3.2 points to 10.3 per cent in the U.S. In most OECD countries, cost pressures peaked early in 1981, coinciding with the stabilization of oil prices and the fall in commodity prices. The improvement was restrained, however, by the effects of the appreciation of the U.S. dollar on prices of materials and goods denominated in U.S. dollars. By late in the year, as the U.S. dollar depreciated and the bulge in energy prices had been absorbed, significant drops in inflation rates began to appear. In the U.S. this was enhanced by the effects of reduced interest rates on housing cost indexes. In Canada, the inflation rate stayed high because of deeply entrenched inflationary expectations, the transmission of cost pressures from the recent run-up in inflation, continuing weakness in productivity growth, large nominal wage gains, the need to absorb large energy price increases, and also because of a relatively strong economy. Beginning with the second half of the year there was evidence that cost pressures had peaked.

Labour Productivity

In 1981, labour productivity increased at a rate of 1.2 per cent on average in the seven major OECD countries, somewhat lower than the average for the period 1974-1981. To a considerable extent, this weaker productivity performance can be related to the general cyclical slowdown in the OECD economies. It is generally the case that an economic slowdown leads to larger declines in output than in employment, consequently slowing productivity growth. In 1981, productivity slowed considerably in some countries, while in others there were substantial improvements. The largest turn-around was recorded in Canada, where productivity increased 0.4 per cent compared with a

decline of 2.7 per cent in 1980. This improvement in the Canadian performance was aided by a cyclical upswing in economic activity. Productivity growth in the U.S. and the U.K. also picked up strongly in 1981. Canada's productivity growth in 1981 ranked ahead of Germany and Italy, which experienced productivity declines, but was less than in other major OECD countries.

Interest Rates and Exchange Rates

Most industrialized countries faced considerable interest rate volatility in 1981 (Table 9.2). In Canada, short-term interest rates were influenced by developments in U.S. rates and by the higher rate of domestic inflation relative to the U.S. Short-term rates broke through the 20-per-cent mark in August but edged down to 15 per cent by year-end. In 1981, interest rate records were also established in all major OECD countries except Japan. The increases generally varied among countries, depending on the position of current accounts, the severity of the deterioration of capital accounts, each country's relative inflation situation and exchange rate support efforts. In Europe — France and Italy in particular — interest rates rose sharply during spring months following the large depreciations of their currencies vis-à-vis the U.S. dollar.

The Canadian dollar depreciated against the U.S. dollar but gained vis-à-vis most other major currencies. As shown in Table 9.2, the Canadian dollar index rose, indicating a small appreciation from 91.4 in 1980 to 91.6 in 1981 on an inflation-adjusted basis against the trade-weighted basket of 15 major currencies. Among the seven major OECD countries, the deutschemark, the French franc and the Italian lira showed the greatest depreciations against the same group of currencies. In Japan, interest rate movements remained subdued in 1981, yet the value of the yen appreciated somewhat.

Balance of Payments

In Canada, the current account deficit increased nearly U.S. \$4 billion to reach U.S. \$5.5 billion in 1981, or from 1.1 per cent to 2.5 per cent of GNP (Table 9.3). All other major OECD countries posted improved current account balances. For the OECD as a whole, the deficit declined from

Table 9.2

Evolution of Interest Rates and Exchange Rates for the Large OECD Countries

						1981			
	1977	1978	1979	1980	1981	Mar.	June	Sept.	Dec.
Representative short-term money market interest rates ⁽¹⁾	(per cent)								
United States	5.75	8.26	11.25	13.16	15.67	14.25	17.07	16.80	12.78
Japan	6.23	4.50	6.05	10.76	7.30	7.34	7.20	7.14	6.30
Germany.....	4.27	3.69	6.87	9.53	12.23	13.30	12.90	12.15	10.50
France.....	9.13	8.01	9.72	12.19	15.58	12.75	18.25	18.62	15.25
United Kingdom	7.94	9.36	13.84	16.55	13.98	12.50	12.56	16.81	15.69
Italy	14.20	11.50	12.25	17.48	19.88	19.75	20.50	20.50	21.00
Canada.....	7.68	9.01	12.04	13.22	18.25	17.05	19.35	19.75	15.25
Indexes of real effective exchange rates ⁽¹⁾	(March 1973 = 100)								
United States	100.9	96.3	96.4	98.0	108.8	104.8	111.7	110.8	108.2
Japan	93.3	106.9	95.7	93.5	94.5	98.0	94.0	91.6	93.4
Germany.....	102.8	103.3	104.2	101.2	97.0	97.2	95.1	96.5	98.4
France.....	96.7	97.3	99.3	101.1	99.4	98.7	97.8	100.8	97.7
United Kingdom	101.7	106.2	118.6	138.1	140.1	147.1	142.5	131.1	135.1
Italy	92.1	90.8	90.6	93.0	90.4	92.4	91.1	92.0	90.6
Canada.....	99.2	92.1	92.2	91.4	91.6	90.3	91.3	92.9	95.2

Note: According to the source: "The index of the effective exchange rate for a currency is a measure of that currency's trade-weighted average appreciation or depreciation vis-à-vis the currencies of 15 other major countries. The exchange rates used in the construction of this index are the averages of daily noon spot exchange rates in New York. . . The trade weights used are based on 1976 bilateral trade in manufactures. The index of the real effective exchange rate is the index of the effective exchange rate adjusted for inflation differentials which are measured by wholesale (or producer) prices of non-food manufactures. Exchange rates and trade weights used in the construction of this index are the same as those used for effective exchange rate indices."

⁽¹⁾ Annual figures and averages of months.

Source: Morgan Guaranty Trust Company of New York, *World Financial Markets*, February 1981.

\$72.7 billion in 1980 to \$36.6 billion in 1981, or from 1.0 per cent to 0.5 per cent of GNP/GDP. Most of this improvement was realized with OPEC countries. Japan, Germany and the U.K. posted the largest increases. In the U.S., the widening of the surplus from \$3.7 billion to \$6.6 billion followed mainly from terms-of-trade gains and increased interest income on investments abroad. This more than offset an erosion of competitiveness associated with the appreciation of the U.S. dollar. In most countries, the improvements in current account positions were offset to

some extent by brisk capital outflows which accompanied rising interest rate spreads favouring the U.S.

Budget Balances

In 1979, the last year for which data are available for all the major OECD countries, the Canadian federal (central) government deficit as a percentage of GNP was smaller than those of Italy and Japan but larger than those of France, Germany, the U.K. and the U.S. (Table 9.4). On the other

Table 9.3
Current Account Balances of OECD Countries

	1974	1975	1976	1977	1978	1979	1980	1981
(billions of U.S. dollars)								
United States	4.9	18.3	4.4	-14.1	-14.1	1.4	3.7	6.6
Japan	-4.7	-0.7	3.7	10.9	16.5	-8.8	-10.7	4.7
Germany	10.3	4.0	3.9	4.1	9.2	-5.3	-16.4	-7.2
France	-6.2	-0.2	-5.7	-3.1	3.3	1.2	-7.4	-6.5
United Kingdom	-7.7	-3.4	-1.6	-0.1	1.8	-1.8	7.5	14.3
Italy	-8.0	-0.8	-2.8	2.5	6.2	5.5	-9.6	-9.5
Canada	-1.5	-4.7	-3.9	-4.0	-4.3	-4.2	-1.6	-5.5
Seven major countries	-12.9	12.5	-1.7	-3.8	18.6	-12.0	-34.6	-5.1
Total OECD	-25.1	2.4	17.3	24.8	9.8	-30.7	-72.7	-36.6
(per cent of GNP/GDP)								
United States	0.3	1.2	0.3	-0.7	-0.7	0.1	0.1	0.3
Japan	-1.0	-0.1	0.7	1.6	1.7	-0.9	-1.0	0.4
Germany	2.6	0.8	0.8	0.8	1.4	-0.7	-2.0	-1.3
France	-2.3	0.0	-1.7	-0.9	0.8	0.2	-1.1	-1.3
United Kingdom	-4.1	-1.6	-1.0	-0.2	0.6	-0.8	1.4	2.9
Italy	-4.7	-0.4	-1.5	1.1	2.4	1.7	-2.4	-2.7
Canada	-1.4	-3.1	-2.3	-2.3	-2.2	-2.1	-1.1	-2.5
Seven major countries	-0.4	0.4	-0.1	-0.1	0.4	-0.2	-0.5	-0.2
Total OECD	-0.7	0.0	-0.4	-0.5	0.2	-0.5	-1.0	-0.5

Source: *Economic Outlook*, No. 30, December 1981, updated in some cases with more recent information; Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, quarterly, cat. 67-001; Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

hand, in 1981, with a decline of 1.4 percentage points from 1980, the Canadian federal government deficit was 2.3 per cent of GNP, whereas with a decline of 0.2 of a percentage point from 1980 the U.S. central government deficit was 2.1 per cent of GNP.

Comparisons of budget balances of the total government sector are more meaningful than budget balances of central governments because of differing divisions of responsibility among levels of governments in different countries. When all levels of government are taken together, as shown

in Table 9.5, the Canadian deficit as a percentage of GNP has been smaller than that of the other major OECD countries with the exception of the U.S. and France in recent years. In 1981, the Canadian total government budget deficit was 0.7 per cent of GNP, only marginally lower than in the U.S., but substantially less than the deficits in other major OECD countries.

In previous issues of the *Economic Review* there have been international comparisons of government expenditures. This information may be found in the reference tables.

Table 9.4

An International Comparison of Central Government Budget Balances as Percentages of Gross Domestic Product or Gross National Product

	Average 1967-74	1975	1976	1977	1978	1979	1980	1981
Canada	0.2	- 2.3	- 1.8	- 3.5	- 4.6	- 3.5	- 3.7	- 2.3
France	0.6	- 1.9	- 0.1	- 0.7	- 1.3	- 0.9	—	—
Germany ⁽¹⁾	- 0.2	- 3.0	- 2.3	- 1.5	- 1.6	- 1.5	—	—
Italy ⁽¹⁾	- 3.7	- 7.4	- 4.6	- 4.9	- 11.0	- 9.2	—	—
Japan ⁽¹⁾	- 0.7	- 4.2	- 4.5	- 5.5	- 6.2	- 5.6	—	—
United Kingdom	1.7	- 3.4	- 4.0	- 2.8	- 3.6	- 2.6	—	—
United States.....	- 0.9	- 4.5	- 3.1	- 2.4	- 1.4	- 0.6	- 2.3	- 2.1

⁽¹⁾ The average is for 1970-74 instead of 1967-74.

Source: OECD, *National Accounts of OECD Countries*, 1979, Volume II; Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; Executive Office of the President, Council of Economic Advisers, *Economic Report of the President*, updated in some cases with more recent information.

Table 9.5

An International Comparison of Total Government⁽¹⁾ Budget Balances as Percentages of Gross Domestic Product or Gross National Product

	Average 1967-74	1975	1976	1977	1978	1979	1980	1981 ⁽²⁾
Canada	0.9	- 2.5	- 1.7	- 2.4	- 3.0	- 1.8	- 2.1	- 0.7
France	0.5	- 2.2	- 0.5	- 0.8	- 1.0	- 0.6	0.4	- 2.4
Germany	- 0.2	- 5.8	- 3.6	- 2.4	- 2.7	- 2.9	- 3.8	- 4.4
Italy	- 6.3	- 11.7	- 9.0	- 8.0	- 9.7	- 9.4	- 7.8	- 9.4
Japan	0.9	- 2.8	- 3.8	- 3.7	- 5.5	- 4.7	- 4.1	- 3.6
United Kingdom	- 0.9	- 4.9	- 5.0	- 3.4	- 4.3	- 3.2	- 3.5	- 2.3
United States.....	- 0.5	- 4.1	- 2.1	- 1.0	0.0	0.5	- 1.2	- 0.9

⁽¹⁾ Includes central and local governments and the social security system, but excludes public corporations.

⁽²⁾ OECD estimates except for Canada and the United States which are actual.

Source: OECD, *National Accounts of OECD Countries*, 1979, Volume II; OECD, *Economic Outlook*, December 1981; Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; Executive Office of the President, Council of Economic Advisers, *Economic Report of the President*, updated in some cases with more recent information.

Reference Tables

Note: Data in these tables were the latest available at the time of preparation. Statistics are revised, and users are requested to consult the sources for the most up-to-date figures.

Where available, CANSIM identification numbers (D for Statistics Canada and B for Bank of Canada) have been given at the heads of columns to assist readers who have access to machine-readable data and to provide a more detailed cross reference to publications. Where two numbers are given, the top number represents unadjusted data and the bottom number represents seasonally adjusted data.

Population

	Page
1 Demographic Developments	116
2 Population by Province	117

National Accounts

3 Gross National Expenditure	119
4 Gross National Expenditure in Constant 1971 Dollars	121
5 Structural Changes in Demand (Percentage Distribution of Gross National Expenditure by Components)	123
5 Structural Changes in Demand (Percentage Distribution of Gross National Expenditure in Constant 1971 Dollars by Components)	124
7 Gross Expenditure Per Capita, Canada and by Province	125
8 Gross Provincial Expenditures	127
9 Percentage Distribution of Gross Provincial Expenditures	128
10 National Income and Gross National Product	129
11 Reconciliation of Gross National Product at Market Prices and Gross Domestic Product at Factor Cost ..	131
12 Structural Changes in Income (Per Cent Distribution of Gross National Product by Components)	133
13 Structural Changes in Income (Per Cent Distribution of Net National Income by Components)	134
14 Indexes of Real Income	135
15 Personal Income and Expenditure	137
16 Personal Income, Canada and by Province	138
17 Personal Income Per Capita, Canada and by Province	140

Components of Expenditures

18 Value of Retail Trade	142
19 Private and Public Investment in Canada	143
20 Private and Public Investment in Canada	145
21 Private and Public Investment by Region	147
22 Private Investment Capital Expenditures Excluding Housing	148
23 Dwelling Starts, Completions and Under Construction	149
24 Dwelling Starts and Completions, by Type	150
25 Manufacturers' Inventories, Shipments and Orders	151

Real Output

26 Gross Domestic Product in Constant (1971) Dollars by Industry	152
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Labour Force

27 Main Components of the Labour Market	153
28 Participation and Unemployment Rates by Sex and Age Groups	154
29 Participation Rates, Canada and by Region	155
30 Labour Force, Canada and by Region	156
31 Employment, Canada and by Region	157
32 Estimates of Employees by Industry	158
33 Unemployment, Canada and by Region	159
34 Unemployed Persons by Family Status, Canada	160
34 Family Units with One or More Unemployed Persons by the Number of Employed Persons in the Family Unit, Canada	161
36 Help-Wanted Index, Canada and Regions	162

Productivity and Costs

37	Productivity and Costs: Commercial Non-Agricultural Industries	163
38	Productivity and Costs: Commercial Non-Agricultural Goods-Producing Industries	164
39	Productivity and Costs: Commercial Services-Producing Industries.....	165
40	Productivity and Costs: Manufacturing Industries	166
41	Average Weekly Wages and Salaries by Industrial Division	167
42	Annual Average Wage Changes Provided by Major Collective Agreements (without COLA).....	168

Price Indexes

43	Gross National Expenditure Implicit Price Indexes	169
44	Consumer Price Indexes: Standard Classifications	171
45	Consumer Price Indexes: Reclassified by Goods and Services	172
46	Energy Prices	173
47	Other Prices Indexes	174

Government Revenues, Expenditures and Debt

48	An International Comparison of Total Government and Central Government Total Expenditures as Percentages of Gross Domestic or Gross National Product	175
49	Total Government Revenues.....	176
50	Total Government Expenditures.....	177
51	Federal Government Revenues	178
52	Federal Government Expenditures	179
53	Federal Government Expenditure by Envelope	180
54	Federal Government Debt.....	181
55	Actual and Cyclically Adjusted Budget Balances, Federal and Consolidated Government Sectors	182
56	Provincial Government Revenues	183
57	Provincial Government Expenditures.....	184
58	Local Government Revenues	185
59	Local Government Expenditures	186
60	Hospital Revenues and Expenditures	187
61	Federal Government Liabilities and Assets: Financial Flow Accounts Basis	188
62	Provincial and Local Governments and Hospitals Liabilities and Assets: Financial Flow Accounts Basis ..	189
63	Government of Canada Financial Transactions	190
64	Government of Canada Liabilities and Assets, Public Accounts Presentation	194
65	Allocation of Revenues from Own Sources, by Levels of Government.....	195
66	Intergovernmental Transfers.....	196
67	Allocations of Revenues After Transfers, by Levels of Government	197
68	Allocation of Expenditures by Levels of Government, Before and After Transfer Payments	198

Balance of Payments

69	Summary of Balance of Payments.....	200
70	Bilateral Payments Balance with the United States	201
71	Bilateral Payments Balance with the Rest of the World	202
72	International Payments: Current Account.....	203
73	Merchandise Trade Detail: Exports	205
74	Merchandise Trade Detail: Imports	206
75	International Payments: Capital Movements	207
76	Net Proceeds from New Issues of Canadian Securities to Non-Residents	209
77	Canadian Chartered Banks' Head Office and Branches in Canada: Net Change in Foreign Currency Positions	211

International Reserves and Exchange Rates

78	Canada's Reserve Position with the International Monetary Fund	212
79	Canada's Official International Reserves	213
80	Price of Foreign Currencies in Canada	214
81	Indexes of Exchange Rates	215
82	Money Market and Eurodollar Rates	216

Government Bonds

83	Details of New Issues and Retirements of Government of Canada Direct and Guaranteed Marketable Bonds from January 1, 1981 to December 31, 1981	217
84	Changes in Marketable Securities and Canada Savings Bonds Outstanding	218

Mortgages

85	Mortgage Loans Approvals	219
86	Mortgage Loan Approvals by Private Lending Institutions.....	220

Financial Flows

87	Monetary Aggregates and Selected Banking System Statistics	221
88	Canadian Marketable Securities, Supply of Securities and Distribution of Holdings	222
89	Credit Expansion by Sector	223
90	Credit Expansion by Instrument	224
91	Chartered Banks	225
92	Other Deposit Accepting Institutions.....	226
93	Insurance Companies and Pension Funds	227
94	Other Private Financial Institutions	228
95	Non-Financial Corporations	229
96	Selected Interest Rates: Canada-United States.....	230

Reference Table 1
Demographic Developments
1947 – 1981

Years	Population as of June	Birth rate	Death rate	Natural rate of increase	Immigration rate	Annual growth rate of population	Number of families	Net family formation
	(Thousands of persons)		(Per thousand of population)			(Per cent)	(Thousands)	
1947.....	12,551	28.9	9.4	19.3	5.0	2.1	n.a.	n.a.
1948.....	12,823	27.3	9.3	17.8	9.5	2.2	n.a.	n.a.
1949.....	13,447	27.3	9.3	18.0	7.1	4.9	n.a.	n.a.
1950.....	13,712	27.1	9.1	18.0	5.4	2.0	n.a.	n.a.
1951.....	14,009	27.2	9.0	18.2	14.0	2.2	3,282	n.a.
1952.....	14,459	27.9	8.7	19.2	11.5	3.2	3,360	78
1953.....	14,845	28.1	8.6	19.5	11.5	2.7	3,423	63
1954.....	15,287	28.5	8.2	20.3	10.2	3.0	3,537	114
1955.....	15,698	28.2	8.2	20.0	7.1	2.7	3,625	88
1956.....	16,081	28.0	8.2	19.8	10.4	2.4	3,705	81
1957.....	16,610	28.2	8.2	20.0	17.2	3.3	3,796	90
1958.....	17,080	27.5	8.0	19.6	7.4	2.8	3,898	102
1959.....	17,483	27.4	8.1	19.4	6.2	2.4	3,982	84
1960.....	17,870	26.8	7.9	19.1	5.9	2.2	4,081	99
1961.....	18,238	26.1	7.8	18.5	4.0	2.1	4,140	59
1962.....	18,583	25.3	7.8	17.5	4.1	1.9	4,189	49
1963.....	18,931	24.6	7.8	16.8	5.0	1.9	4,258	69
1964.....	19,291	23.5	7.6	16.1	5.9	1.9	4,341	83
1965.....	19,644	21.3	7.6	13.7	7.5	1.8	4,432	91
1966.....	20,015	19.5	7.6	11.9	9.8	1.9	4,518	86
1967.....	20,378	18.3	7.4	10.9	11.0	1.8	4,608	90
1968.....	20,701	17.7	7.4	10.3	8.9	1.6	4,696	88
1969.....	21,001	17.7	7.4	10.3	7.7	1.4	4,807	110
1970.....	21,297	17.5	7.3	10.2	7.0	1.4	4,908	101
1971.....	21,568	16.8	7.3	9.5	5.7	1.3	5,060	152
1972.....	21,802	15.9	7.5	8.4	5.6	1.1	5,168	108
1973.....	22,043	15.6	7.4	8.2	8.4	1.1	5,299	131
1974.....	22,364	15.5	7.5	8.0	9.8	1.5	5,443	144
1975.....	22,697	15.8	7.4	8.4	8.3	1.5	5,587	144
1976.....	22,993	15.6	7.3	8.3	6.5	1.3	5,715	127
1977.....	23,258	15.6	7.3	8.3	4.9	1.2	5,810	96
1978.....	23,476	15.3	7.2	8.1	3.6	1.0	5,896	83
1979.....	23,681	15.5	7.1	8.4	4.7	0.8	5,969	73
1980.....	23,936	15.1	7.1	8.0	6.0	1.0	n.a.	n.a.
1981.....	24,189	15.4	7.0	8.3	5.3	1.1	n.a.	n.a.

Source: Statistics Canada, *Vital Statistics*, annual, cat. 84-201 and monthly, cat. 84-001; Statistics Canada, *Estimates of Families in Canada*, cat. 91-204; and Department of Employment and Immigration.

Reference Table 2
Population by Province⁽¹⁾
1952 – 1981

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.
D	15	16	17	18	19	20	21	22	23	24	25 + 26
(Thousands)											
1952	374	100	653	526	4,174	4,788	798	843	973	1,205	25
1953	383	101	663	533	4,269	4,941	809	861	1,012	1,248	25
1954	395	101	673	540	4,388	5,115	823	873	1,057	1,295	27
1955	406	100	683	547	4,517	5,266	839	878	1,091	1,342	29
1956	415	99	695	555	4,628	5,405	850	881	1,123	1,399	32
1957	424	99	701	562	4,769	5,636	862	880	1,164	1,482	31
1958	432	100	709	571	4,904	5,821	875	891	1,206	1,538	33
1959	441	101	719	582	5,024	5,969	891	907	1,248	1,567	34
1960	448	103	727	589	5,142	6,111	906	915	1,291	1,602	36
1961	458	105	737	598	5,259	6,236	922	925	1,332	1,629	38
1962	468	107	746	605	5,371	6,351	936	930	1,369	1,660	40
1963	476	108	751	609	5,481	6,481	949	933	1,403	1,699	41
1964	483	109	755	611	5,584	6,631	959	942	1,430	1,745	42
1965	488	109	756	615	5,685	6,788	965	950	1,450	1,797	41
1966	493	109	756	617	5,781	6,961	963	955	1,463	1,874	43
1967	499	109	760	620	5,864	7,127	963	957	1,490	1,945	44
1968	506	110	767	625	5,928	7,262	971	960	1,524	2,003	45
1969	514	111	775	628	5,985	7,385	979	958	1,559	2,060	47
1970	517	110	782	627	6,013	7,551	983	941	1,595	2,128	50
1971	522	112	789	635	6,028	7,703	988	926	1,628	2,185	53
1972	530	113	795	640	6,054	7,810	991	914	1,657	2,241	57
1973	537	114	804	647	6,079	7,909	996	905	1,690	2,302	60
1974	541	115	812	654	6,123	8,054	1,008	900	1,722	2,376	60
1975	549	117	820	665	6,179	8,172	1,014	907	1,778	2,433	63
1976	558	118	829	677	6,235	8,265	1,022	921	1,838	2,467	64
1977	564	120	835	687	6,276	8,355	1,029	937	1,896	2,494	64
1978	569	122	841	695	6,273	8,444	1,034	948	1,954	2,530	65
1979	574	123	848	701	6,289	8,504	1,032	960	2,014	2,571	65
1980	580	124	853	708	6,312	8,574	1,030	970	2,081	2,640	64
1981	586	124	857	711	6,340	8,625	1,031	980	2,160	2,711	65
(Per cent change)											
1952	3.5	1.6	1.6	2.0	2.9	4.1	2.8	1.4	3.6	3.4	-0.4
1953	2.4	1.0	1.5	1.3	2.3	3.2	1.4	2.1	4.0	3.6	0.0
1954	3.1	0.0	1.5	1.3	2.8	3.5	1.7	1.4	4.4	3.8	8.0
1955	2.8	-1.0	1.5	1.3	2.9	3.0	1.9	0.6	3.2	3.6	7.4
1956	2.2	-0.7	1.7	1.4	2.5	2.6	1.3	0.3	2.9	4.2	8.6
1957	2.1	-0.3	0.9	1.3	3.0	4.3	1.4	-0.8	3.6	6.0	-1.6
1958	1.9	1.0	1.1	1.6	2.8	3.3	1.5	1.3	3.6	3.8	6.5
1959	2.1	1.0	1.4	1.9	2.4	2.5	1.8	1.8	3.5	1.9	3.0
1960	1.6	2.0	1.1	1.2	2.3	2.4	1.7	0.9	3.4	2.2	5.9
1961	2.2	1.6	1.4	1.5	2.3	2.0	1.7	1.1	3.2	1.7	4.4
1962	2.2	2.3	1.2	1.2	2.1	1.8	1.6	0.5	2.8	1.9	6.5
1963	1.7	0.9	0.7	0.7	2.0	2.0	1.4	0.3	2.5	2.3	2.5
1964	1.5	0.9	0.5	0.3	1.9	2.3	1.1	1.0	1.9	2.7	2.4
1965	1.0	0.0	0.1	0.7	1.8	2.4	0.6	0.8	1.4	3.0	-2.4
1966	1.1	-0.5	0.0	0.3	1.7	2.5	-0.2	0.6	0.9	4.3	5.1
1967	1.1	0.5	0.5	0.5	1.4	2.4	-0.1	0.2	1.8	3.8	2.1
1968	1.4	0.9	0.9	0.8	1.1	1.9	0.8	0.3	2.3	3.0	2.3
1969	1.6	0.9	1.0	0.5	1.0	1.7	0.8	-0.2	2.3	2.8	4.4
1970	0.6	-0.9	0.9	-0.2	0.5	2.2	0.4	-1.8	2.3	3.3	6.4
1971	1.0	1.5	0.9	1.2	0.2	2.0	0.5	-1.6	2.1	2.7	6.4
1972	1.5	0.9	0.7	0.9	0.4	1.4	0.3	-1.3	1.8	2.6	6.8
1973	1.4	1.2	1.2	1.1	0.4	1.3	0.5	-1.0	1.9	2.7	5.5
1974	0.8	1.1	0.9	1.0	0.7	1.8	1.1	-0.5	1.9	3.2	0.3
1975	1.4	1.6	1.0	1.8	0.9	1.5	0.6	0.9	3.2	2.4	4.0
1976	1.6	0.9	1.1	1.8	0.9	1.1	0.8	1.5	3.4	1.4	3.0
1977	1.1	1.7	0.8	1.4	0.7	1.1	0.7	1.7	3.2	1.1	0.0
1978	0.9	1.6	0.8	1.1	-0.5	1.1	0.4	1.2	3.0	1.5	1.4
1979	0.8	0.7	0.8	0.9	0.3	0.7	-0.1	1.2	3.0	1.6	-0.3
1980	1.1	1.1	0.6	0.9	0.4	0.8	-0.3	1.1	3.4	2.7	-0.9
1981	1.1	-0.8	0.5	0.4	0.4	0.6	0.1	1.0	3.8	2.7	0.9

Reference Table 2 (continued)
Population by Province⁽¹⁾
1952 – 1981

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.
(Percentage distribution of total among provinces)											
1952	2.6	0.7	4.5	3.6	28.9	33.1	5.5	5.8	6.7	8.3	0.2
1953	2.6	0.7	4.5	3.6	28.8	33.3	5.4	5.8	6.8	8.4	0.2
1954	2.6	0.7	4.4	3.5	28.7	33.5	5.4	5.7	6.9	8.5	0.2
1955	2.6	0.6	4.4	3.5	28.8	33.5	5.3	5.6	6.9	8.5	0.2
1956	2.6	0.6	4.3	3.4	28.8	33.6	5.3	5.5	7.0	8.7	0.2
1957	2.6	0.6	4.2	3.4	28.7	33.9	5.2	5.3	7.0	8.9	0.2
1958	2.5	0.6	4.2	3.3	28.7	34.1	5.1	5.2	7.1	9.0	0.2
1959	2.5	0.6	4.1	3.3	28.7	34.1	5.1	5.2	7.1	9.0	0.2
1960	2.5	0.6	4.1	3.3	28.8	34.2	5.1	5.1	7.2	9.0	0.2
1961	2.5	0.6	4.0	3.3	28.8	34.2	5.1	5.1	7.3	8.9	0.2
1962	2.5	0.6	4.0	3.3	28.9	34.2	5.0	5.0	7.4	8.9	0.2
1963	2.5	0.6	4.0	3.2	29.0	34.2	5.0	4.9	7.4	9.0	0.2
1964	2.5	0.6	3.9	3.2	28.9	34.4	5.0	4.9	7.4	9.0	0.2
1965	2.5	0.6	3.8	3.1	28.9	34.6	4.9	4.8	7.4	9.1	0.2
1966	2.5	0.5	3.8	3.1	28.9	34.8	4.8	4.8	7.3	9.4	0.2
1967	2.4	0.5	3.7	3.0	28.8	35.0	4.7	4.7	7.3	9.5	0.2
1968	2.4	0.5	3.7	3.0	28.6	35.1	4.7	4.6	7.4	9.7	0.2
1969	2.4	0.5	3.7	3.0	28.5	35.2	4.7	4.6	7.4	9.8	0.2
1970	2.4	0.5	3.7	2.9	28.2	35.5	4.6	4.4	7.5	10.0	0.2
1971	2.4	0.5	3.7	2.9	27.9	35.7	4.6	4.3	7.5	10.1	0.2
1972	2.4	0.5	3.6	2.9	27.8	35.8	4.5	4.2	7.6	10.3	0.3
1973	2.4	0.5	3.6	2.9	27.6	35.9	4.5	4.1	7.7	10.4	0.3
1974	2.4	0.5	3.6	2.9	27.4	36.0	4.5	4.0	7.7	10.6	0.3
1975	2.4	0.5	3.6	2.9	27.2	36.0	4.5	4.0	7.8	10.7	0.3
1976	2.4	0.5	3.6	2.9	27.1	35.9	4.4	4.0	8.0	10.7	0.3
1977	2.4	0.5	3.6	3.0	27.0	35.9	4.4	4.0	8.2	10.7	0.3
1978	2.4	0.5	3.6	3.0	26.7	36.0	4.4	4.0	8.3	10.8	0.3
1979	2.4	0.5	3.6	3.0	26.6	35.9	4.4	4.1	8.5	10.9	0.3
1980	2.4	0.5	3.6	3.0	26.4	35.8	4.3	4.1	8.7	11.0	0.3
1981	2.4	0.5	3.5	3.0	26.2	35.7	4.3	4.1	8.9	11.2	0.3

⁽¹⁾Population as of June.

Source: Statistics Canada, *Annual Estimates of Population for Canada and Provinces at June 1st*, annual, cat. 91-201.

Reference Table 3
Gross National Expenditure
1947 – 1981

Years	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Value of physical change in inventories	Exports of goods and services	Imports of goods and services	Residual error of estimate	Gross national expenditure at market prices
			Total	Government	Business	Housing					
D	40014 40254	40015 40255	40016 40256	40017 40257		40022 40262	40025 40265	40029 40269	40030 40270	40031 40271	40548 40551
(Millions of dollars)											
1947.....	9,362	1,343	2,350	304	1,591	455	343	3,661	-3,601	15	13,473
1948.....	10,370	1,454	3,057	424	1,974	659	97	4,055	-3,630	106	15,509
1949.....	11,365	1,722	3,439	456	2,188	795	78	4,004	-3,853	45	16,800
1950.....	12,482	1,928	3,862	521	2,388	953	549	4,158	-4,492	4	18,491
1951.....	13,857	2,811	4,424	640	2,950	834	871	5,052	-5,580	205	21,640
1952.....	15,162	3,620	5,096	779	3,371	946	499	5,568	-5,369	12	24,588
1953.....	16,181	3,824	5,733	782	3,699	1,252	600	5,380	-5,806	-79	25,833
1954.....	16,934	3,825	5,714	873	3,429	1,412	-202	5,137	-5,543	53	25,918
1955.....	18,388	4,036	6,422	948	3,689	1,785	285	5,749	-6,390	38	28,528
1956.....	20,090	4,426	8,000	1,144	5,031	1,825	985	6,350	-7,664	-129	32,058
1957.....	21,492	4,573	8,689	1,327	5,693	1,669	170	6,379	-7,767	-23	33,513
1958.....	22,845	4,854	8,535	1,397	5,049	2,089	-296	6,329	-7,321	-169	34,777
1959.....	24,390	4,976	8,647	1,508	5,006	2,133	414	6,674	-8,028	-227	36,846
1960.....	25,479	5,281	8,473	1,560	5,119	1,794	409	7,004	-8,092	-195	38,359
1961.....	25,930	6,206	8,392	1,674	4,929	1,789	116	7,624	-8,480	-142	39,646
1962.....	27,452	6,608	8,885	1,903	5,128	1,854	667	8,234	-9,045	126	42,927
1963.....	29,225	6,982	9,556	1,985	5,612	1,959	669	9,068	-9,561	39	45,978
1964.....	31,389	7,593	11,205	2,023	6,800	2,382	553	10,503	-10,913	-50	50,280
1965.....	33,947	8,358	13,179	2,440	8,105	2,634	1,244	11,182	-12,341	-205	55,364
1966.....	36,890	9,748	15,361	2,841	9,915	2,605	1,225	13,045	-14,259	-182	61,828
1967.....	39,972	11,153	15,628	2,954	9,865	2,809	260	14,663	-15,234	-33	66,409
1968.....	43,704	12,684	15,754	2,983	9,518	3,253	745	16,719	-17,010	-10	72,586
1969.....	47,492	14,241	17,232	3,055	10,332	3,845	1,467	18,761	-19,821	443	79,815
1970.....	50,327	16,630	18,015	3,173	11,342	3,500	105	21,167	-20,214	-345	85,685
1971.....	55,616	18,368	20,800	3,754	12,230	4,816	392	22,181	-22,016	-891	94,450
1972.....	62,208	20,291	23,051	3,968	13,263	5,820	544	24,580	-25,250	-190	105,234
1973.....	71,278	23,037	27,848	4,305	16,156	7,387	1,588	30,718	-30,954	45	123,560
1974.....	83,388	27,816	34,260	5,462	20,022	8,776	3,451	38,992	-41,009	630	147,528
1975.....	96,995	33,380	40,044	6,323	24,489	9,232	-239	40,452	-45,589	300	165,343
1976.....	110,886	38,325	44,895	6,318	26,256	12,321	1,563	45,601	-49,973	-266	191,031
1977.....	122,530	43,374	48,193	6,790	28,597	12,806	374	52,548	-57,262	-889	208,868
1978.....	135,271	47,676	52,290	7,140	31,598	13,552	361	62,985	-67,970	-260	230,353
1979.....	150,617	51,979	60,595	7,397	39,113	14,085	4,165	77,087	-82,671	189	261,961
1980.....	168,146	57,913	68,525	8,015	46,667	13,843	-1,192	90,258	-93,443	-348	289,859
1981.....	190,025	66,192	80,369	9,129	55,147	16,093	1,367	98,999	-107,177	-1,274	328,501

Reference Table 3 (continued)
Gross National Expenditure
1947 – 1981

Years	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Exports of goods and services	Imports of goods and services	Gross national expenditure at market prices
			Total	Government	Business	Housing			
(Per cent change)									
1947	16.8	- 18.9	39.7	28.3	54.6	9.4	11.6	25.9	13.4
1948	10.8	8.3	30.1	39.5	24.1	44.8	10.8	0.8	15.1
1949	9.6	18.4	12.5	7.5	10.8	20.6	- 1.3	6.1	8.3
1950	9.8	12.0	12.3	14.3	9.1	19.9	3.8	16.6	10.1
1951	11.0	45.8	14.6	22.8	23.5	- 12.5	21.5	24.2	17.0
1952	9.4	28.8	15.2	21.7	14.3	13.4	10.2	- 3.8	13.6
1953	6.7	5.6	12.5	0.4	9.7	32.3	- 3.4	8.1	5.1
1954	4.7	0.0	- 0.3	11.6	- 7.3	12.8	- 4.5	- 4.5	0.3
1955	8.6	5.5	12.4	8.6	7.6	26.4	11.9	15.3	10.1
1956	9.3	9.7	24.6	20.7	36.4	2.2	10.5	19.9	12.4
1957	7.0	3.3	8.6	16.0	13.2	- 8.5	0.5	1.3	4.5
1958	6.3	6.1	- 1.8	5.3	- 11.3	25.2	- 0.8	5.7	3.8
1959	6.8	2.5	1.3	7.9	- 0.9	2.1	5.5	9.7	5.9
1960	4.5	6.1	- 2.0	3.4	2.3	- 15.9	4.9	0.8	4.1
1961	1.8	17.5	- 1.0	7.3	- 3.7	- 0.3	8.9	4.8	3.4
1962	5.9	6.5	5.9	13.7	4.0	3.6	8.0	6.7	8.3
1963	6.5	5.7	7.6	4.3	9.4	5.7	10.1	- 5.7	7.1
1964	7.4	8.8	17.3	1.9	21.2	21.6	15.8	14.1	9.4
1965	8.1	10.1	17.6	20.6	19.2	10.6	6.5	13.1	10.1
1966	8.7	16.6	16.6	16.4	22.3	- 1.1	16.7	15.5	11.7
1967	8.4	14.4	1.7	4.0	- 0.5	7.8	12.4	6.8	7.4
1968	9.3	13.7	0.8	1.0	- 3.5	15.8	14.0	11.7	9.3
1969	8.7	12.3	9.4	2.4	8.6	18.2	12.2	16.5	10.0
1970	6.0	16.8	4.5	3.9	9.8	- 9.0	12.8	2.0	7.4
1971	10.5	10.5	15.5	18.3	7.8	37.6	4.8	8.9	10.2
1972	11.9	10.5	10.8	5.7	8.4	20.8	10.8	14.7	11.4
1973	14.6	13.5	20.8	8.5	21.8	26.9	25.0	22.6	17.4
1974	17.0	20.7	23.0	26.9	23.9	18.8	26.9	32.5	19.4
1975	16.3	20.0	16.9	15.8	22.3	5.2	3.7	11.2	12.1
1976	14.3	14.8	12.1	- 0.1	7.2	33.5	12.7	9.6	15.5
1977	10.5	13.2	7.3	7.5	8.9	3.9	15.2	14.6	9.3
1978	10.4	9.9	8.5	5.2	10.5	5.8	19.9	18.7	10.3
1979	11.3	9.0	15.9	3.6	23.8	3.9	22.4	21.6	13.7
1980	11.6	11.4	13.1	8.4	19.3	- 1.7	17.1	13.0	10.6
1981	13.0	14.3	17.3	13.9	18.2	16.3	9.7	14.7	13.3

Source: Statistics Canada, *National Income and Expenditure Accounts*, annual, cat. 13-531, and quarterly, cat. 13-001.

Reference Table 4
Gross National Expenditure in Constant 1971 Dollars
1947 – 1981

Years	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Value of physical change in inventories	Exports of goods and services	Imports of goods and services	Residual error of estimate	Gross national expenditure in constant 1971 dollars
			Total	Government	Business	Housing					
D	40562 40594	40568 40600	40569 40601	40570 40602		40576 40608	40581 40613	40586 40618	40588 40620	40540 40622	40561 40593
(Millions of dollars)											
1947.....	18,546	4,747	5,316	627	3,604	1,085	672	6,170	-6,411	39	29,496
1948.....	18,099	4,504	6,103	779	3,982	1,342	109	6,375	-5,781	211	30,231
1949.....	19,138	4,982	6,553	806	4,195	1,552	215	5,997	-5,939	83	31,388
1950.....	20,394	5,367	7,042	884	4,385	1,773	789	5,956	-6,469	10	33,762
1951.....	20,546	7,000	7,068	915	4,807	1,346	1,025	6,513	-7,277	333	35,450
1952.....	21,984	8,624	7,892	1,090	5,303	1,499	481	7,260	-7,527	20	38,617
1953.....	23,512	8,890	8,861	1,162	5,732	1,967	752	7,185	-8,151	-124	40,605
1954.....	24,375	8,549	8,858	1,296	5,325	2,237	-238	6,917	-7,761	86	40,106
1955.....	26,456	8,736	9,678	1,308	5,594	2,776	410	7,442	-8,799	61	43,891
1956.....	28,440	8,956	11,446	1,425	7,227	2,794	1,144	8,002	-10,215	-187	47,599
1957.....	29,504	8,807	12,262	1,751	8,026	2,485	249	8,075	-10,096	-31	48,718
1958.....	30,562	9,074	12,126	1,942	7,064	3,120	-280	8,047	-9,386	-239	49,844
1959.....	32,264	8,999	12,191	2,090	6,911	3,190	468	8,360	-10,357	-317	51,737
1960.....	33,392	9,218	11,790	2,142	7,017	2,631	523	8,717	-10,347	-271	53,231
1961.....	33,761	10,494	11,748	2,378	6,768	2,602	251	9,374	-10,559	-196	54,741
1962.....	35,272	10,911	12,278	2,664	6,910	2,704	756	9,744	-10,769	175	58,475
1963.....	36,992	11,070	12,841	2,682	7,365	2,794	764	10,631	-11,125	54	61,487
1964.....	39,218	11,637	14,549	2,652	8,633	3,264	655	12,058	-12,595	-64	65,610
1965.....	41,606	12,253	16,259	3,003	9,843	3,413	1,441	12,606	-14,140	-256	69,981
1966.....	43,778	13,388	18,015	3,307	11,540	3,168	1,385	14,315	-15,989	-215	74,844
1967.....	45,863	14,343	17,942	3,403	11,310	3,229	253	15,770	-16,805	-31	77,344
1968.....	48,138	15,429	17,964	3,430	10,832	3,702	771	17,727	-18,284	-6	81,864
1969.....	50,353	15,993	18,850	3,350	11,325	4,175	1,518	19,462	-20,727	491	86,225
1970.....	51,526	17,650	18,904	3,329	11,857	3,718	84	21,223	-20,588	-341	88,390
1971.....	55,616	18,368	20,800	3,754	12,230	4,816	392	22,181	-22,016	-891	94,450
1972.....	59,841	18,930	21,955	3,772	12,751	5,432	515	23,655	-24,489	-159	100,248
1973.....	63,879	19,795	24,384	3,751	14,667	5,966	1,346	26,156	-27,824	76	107,812
1974.....	67,160	20,584	25,694	3,957	15,802	5,935	2,642	25,620	-30,538	516	111,678
1975.....	70,645	21,399	26,661	4,127	17,031	5,503	-252	23,993	-29,684	243	113,005
1976.....	75,251	21,689	27,397	3,860	16,973	6,564	988	26,225	-32,166	-135	119,249
1977.....	77,416	22,392	27,173	3,859	17,162	6,152	82	28,046	-32,844	-503	121,762
1978.....	79,550	22,757	27,260	3,779	17,534	5,947	260	30,929	-34,345	-130	126,281
1979.....	81,136	22,880	28,736	3,568	19,655	5,513	1,898	31,766	-36,420	119	130,115
1980.....	81,955	22,762	29,830	3,553	21,351	4,926	-735	32,087	-35,615	-124	130,160
1981.....	83,374	23,227	31,442	3,618	22,827	4,997	698	32,548	-36,733	-486	134,070

Reference Table 4 (continued)
Gross National Expenditure in Constant 1971 Dollars
1948 – 1981

Years	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Exports of goods and services	Imports of goods and services	Gross national expenditure in constant 1971 dollars
			Total	Government	Business	Housing			
(Per cent change)									
1948	2.4	- 5.1	14.8	24.2	10.5	23.7	3.3	- 9.8	2.5
1949	5.7	10.6	7.4	3.5	5.3	15.6	- 5.9	2.7	3.8
1950	6.6	7.7	7.5	9.7	4.5	14.2	- 0.7	8.9	7.6
1951	0.7	30.4	0.4	3.5	9.6	- 24.1	9.4	12.5	5.0
1952	7.0	23.2	11.7	19.1	10.3	11.4	11.5	3.4	8.9
1953	7.0	3.1	12.3	6.6	8.1	31.2	- 1.0	8.3	5.1
1954	3.7	- 3.8	0.0	11.5	- 7.1	13.7	- 3.7	- 4.8	- 1.2
1955	8.5	2.2	9.3	0.9	5.1	24.1	7.6	13.4	9.4
1956	7.5	2.5	18.3	8.9	29.2	0.6	7.5	16.1	8.4
1957	3.7	- 1.7	7.1	22.9	11.1	- 11.1	0.9	- 1.2	2.4
1958	3.6	3.0	- 1.1	10.9	- 12.0	25.6	- 0.3	- 7.0	2.3
1959	5.6	- 0.8	0.5	7.6	- 2.2	2.2	3.9	10.3	3.8
1960	3.5	2.4	- 3.3	2.5	1.5	- 17.5	4.3	- 0.1	2.9
1961	1.1	13.8	- 0.4	11.0	- 3.5	- 1.1	7.5	2.0	2.8
1962	4.5	4.0	4.5	12.0	2.1	3.9	3.9	2.0	6.8
1963	4.9	1.5	4.6	0.7	6.6	3.3	9.1	3.3	5.2
1964	6.0	5.1	13.3	- 1.1	17.2	16.8	13.4	13.2	6.7
1965	6.1	5.3	11.8	13.2	14.0	4.6	4.5	12.3	6.7
1966	5.2	9.3	10.8	10.1	17.2	- 7.2	13.6	13.1	6.9
1967	4.8	7.1	- 0.4	2.9	- 2.0	1.9	10.2	5.1	3.3
1968	5.0	7.6	0.1	0.8	- 4.2	14.6	12.4	8.8	5.8
1969	4.6	3.7	4.9	- 2.3	4.6	12.8	9.8	13.4	5.3
1970	2.3	10.4	0.3	- 0.6	4.7	- 10.9	9.0	- 0.7	2.5
1971	7.9	4.1	10.0	12.8	3.1	29.5	4.5	6.9	6.9
1972	7.6	3.1	5.6	0.5	4.3	12.8	6.6	11.2	6.1
1973	6.7	4.6	11.1	- 0.6	15.0	9.8	10.6	13.6	7.5
1974	5.1	4.0	5.4	5.5	7.7	- 0.5	- 2.0	9.8	3.6
1975	5.2	4.0	3.8	4.3	7.8	- 7.3	- 6.4	- 2.8	1.2
1976	6.5	1.4	2.8	- 6.5	- 0.3	19.3	9.3	8.4	5.5
1977	2.9	3.2	- 0.8	0.0	1.1	- 6.3	6.9	2.1	2.1
1978	2.8	1.6	0.3	- 2.1	2.2	- 3.3	10.3	4.6	3.7
1979	2.0	0.5	5.4	- 5.6	12.1	- 7.3	2.7	6.0	3.0
1980	1.0	- 0.5	3.8	- 0.4	8.6	- 10.6	1.0	- 2.2	0.0
1981	1.7	2.0	5.4	1.8	6.9	1.4	1.4	3.1	3.0

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 5
Structural Changes in Demand
(Percentage Distribution of Gross National Expenditure by Components)
1947 – 1981

Years	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Value of physical change in inventories	Exports of goods and services	Imports of goods and services	Residual error of estimate	Gross national expenditure at market prices
			Total	Government	Business	Housing					
1947.....	69.5	10.0	17.4	2.3	11.8	3.4	2.5	27.2	-26.7	0.1	100.0
1948.....	66.9	9.4	19.7	2.7	12.7	4.2	0.6	26.1	-23.4	0.7	100.0
1949.....	67.6	10.2	20.5	2.7	13.0	4.7	0.5	23.8	-22.9	0.3	100.0
1950.....	67.5	10.4	20.9	2.8	12.9	5.2	3.0	22.5	-24.3	0.0	100.0
1951.....	64.0	13.0	20.4	3.0	13.6	3.9	4.0	23.3	-25.8	0.9	100.0
1952.....	61.7	14.7	20.7	3.2	13.7	3.8	2.0	22.6	-21.8	0.0	100.0
1953.....	62.6	14.8	22.2	3.0	14.3	4.8	2.3	20.8	-22.5	-0.3	100.0
1954.....	65.3	14.8	22.0	3.4	13.2	5.4	-0.8	19.8	-21.4	0.2	100.0
1955.....	64.5	14.1	22.5	3.3	12.9	6.3	1.0	20.2	-22.4	0.1	100.0
1956.....	62.7	13.8	25.0	3.6	15.7	5.7	3.1	19.8	-23.9	-0.4	100.0
1957.....	64.1	13.6	25.9	4.0	17.0	5.0	0.5	19.0	-23.2	-0.1	100.0
1958.....	65.7	14.0	24.5	4.0	14.5	6.0	-0.9	18.2	-21.1	-0.5	100.0
1959.....	66.2	13.5	23.5	4.1	13.6	5.8	1.1	18.1	-21.8	-0.6	100.0
1960.....	66.4	13.8	22.1	4.1	13.3	4.7	1.1	18.3	-21.1	-0.5	100.0
1961.....	65.4	15.7	21.2	4.2	12.4	4.5	0.3	19.2	-21.4	-0.4	100.0
1962.....	64.0	15.4	20.7	4.4	11.9	4.3	1.6	19.2	-21.1	0.3	100.0
1963.....	63.6	15.2	20.8	4.3	12.2	4.3	1.5	19.7	-20.8	0.1	100.0
1964.....	62.4	15.1	22.3	4.0	13.5	4.7	1.1	20.9	-21.7	-0.1	100.0
1965.....	61.3	15.1	23.8	4.4	14.6	4.8	2.2	20.2	-22.3	-0.4	100.0
1966.....	59.7	15.8	24.8	4.6	16.0	4.2	2.0	21.1	-23.1	-0.3	100.0
1967.....	60.2	16.8	23.5	4.4	14.9	4.2	0.4	22.1	-22.9	0.0	100.0
1968.....	60.2	17.5	21.7	4.1	13.1	4.5	1.0	23.0	-23.4	0.0	100.0
1969.....	59.5	17.8	21.6	3.8	12.9	4.8	1.8	23.5	-24.8	0.6	100.0
1970.....	58.7	19.4	21.0	3.7	13.2	4.1	0.1	24.7	-23.6	-0.4	100.0
1971.....	58.9	19.4	22.0	4.0	12.9	5.1	0.4	23.5	-23.3	-0.9	100.0
1972.....	59.1	19.3	21.9	3.8	12.6	5.5	0.5	23.4	-24.0	-0.2	100.0
1973.....	57.7	18.6	22.5	3.5	13.1	6.0	1.3	24.9	-25.1	0.0	100.0
1974.....	56.5	18.9	23.2	3.7	13.6	5.9	2.3	26.4	-27.8	0.4	100.0
1975.....	58.7	20.2	24.2	3.8	14.8	5.6	-0.1	24.5	-27.6	0.2	100.0
1976.....	58.0	20.1	23.5	3.3	13.7	6.4	0.8	23.9	-26.2	-0.1	100.0
1977.....	58.7	20.8	23.1	3.3	13.7	6.1	0.2	25.2	-27.4	-0.4	100.0
1978.....	58.7	20.7	22.7	3.1	13.7	5.9	0.2	27.3	-29.5	-0.1	100.0
1979.....	57.5	19.8	23.1	2.8	14.9	5.4	1.6	29.4	-31.6	0.1	100.0
1980.....	58.0	20.0	23.6	2.8	16.1	4.8	-0.4	31.1	-32.2	-0.1	100.0
1981.....	57.8	20.1	24.5	2.8	16.8	4.9	0.4	30.1	-32.6	-0.4	100.0

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 6
Structural Changes in Demand
(Percentage Distribution of Gross National Expenditure
in Constant 1971 Dollars by Components)
1947 – 1981

Years	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Value of physical change in inventories	Exports of goods and services	Imports of goods and services	Residual error of estimate	Gross national expenditure in constant 1971 dollars
			Total	Government	Business	Housing					
1947.....	62.9	16.1	18.0	2.1	12.2	3.7	2.3	20.9	-21.7	0.1	100.0
1948.....	59.9	14.9	20.2	2.6	13.2	4.4	0.4	21.1	-19.1	0.7	100.0
1949.....	61.0	15.9	20.9	2.6	13.4	4.9	0.7	19.1	-18.9	0.3	100.0
1950.....	60.4	15.9	20.9	2.6	13.0	5.3	2.3	17.6	-19.2	0.0	100.0
1951.....	58.0	19.7	19.9	2.6	13.6	3.8	2.9	18.4	-20.5	0.9	100.0
1952.....	56.9	22.3	20.4	2.8	13.7	3.9	1.2	18.8	-19.5	0.1	100.0
1953.....	57.9	21.9	21.8	2.9	14.1	4.8	1.9	17.7	-20.1	-0.3	100.0
1954.....	60.8	21.3	22.1	3.2	13.3	5.6	-0.6	17.2	-19.4	0.2	100.0
1955.....	60.3	19.9	22.1	3.0	12.7	6.3	0.9	17.0	-20.0	0.1	100.0
1956.....	59.7	18.8	24.0	3.0	15.2	5.9	2.4	16.8	-21.5	-0.4	100.0
1957.....	60.6	18.1	25.2	3.6	16.5	5.1	0.5	16.6	-20.7	-0.1	100.0
1958.....	61.3	18.2	24.3	3.9	14.2	6.3	-0.6	16.1	-18.8	-0.5	100.0
1959.....	62.4	17.4	23.6	4.0	13.4	6.2	0.9	16.2	-20.0	-0.6	100.0
1960.....	62.7	17.3	22.1	4.0	13.2	4.9	1.0	16.4	-19.4	-0.5	100.0
1961.....	61.7	19.2	21.5	4.3	12.4	4.8	0.5	17.1	-19.3	-0.4	100.0
1962.....	60.3	18.7	21.0	4.6	11.8	4.6	1.3	16.7	-18.4	0.3	100.0
1963.....	60.2	18.0	20.9	4.4	12.0	4.5	1.2	17.3	-18.1	0.1	100.0
1964.....	59.8	17.7	22.2	4.0	13.2	5.0	1.0	18.4	-19.2	-0.1	100.0
1965.....	59.5	17.5	23.2	4.3	14.1	4.9	2.1	18.0	-20.2	-0.4	100.0
1966.....	58.5	17.9	24.1	4.4	15.4	4.2	1.9	19.1	-21.4	-0.3	100.0
1967.....	59.3	18.5	23.2	4.4	14.6	4.2	0.3	20.4	-21.7	0.0	100.0
1968.....	58.8	18.8	21.9	4.2	13.2	4.5	0.9	21.7	-22.3	0.0	100.0
1969.....	58.4	18.5	21.9	3.9	13.1	4.8	1.8	22.6	-24.0	0.6	100.0
1970.....	58.3	20.0	21.4	3.8	13.4	4.2	0.1	24.0	-23.3	-0.4	100.0
1971.....	58.9	19.4	22.0	4.0	12.9	5.1	0.4	23.5	-23.3	-0.9	100.0
1972.....	59.7	18.9	21.9	3.8	12.7	5.4	0.5	23.6	-24.4	-0.2	100.0
1973.....	59.3	18.4	22.6	3.5	13.6	5.5	1.2	24.3	-25.8	0.1	100.0
1974.....	60.1	18.4	23.0	3.5	14.1	5.3	2.4	22.9	-27.3	0.5	100.0
1975.....	62.5	18.9	23.6	3.7	15.1	4.9	-0.2	21.2	-26.3	0.2	100.0
1976.....	63.1	18.2	23.0	3.2	14.2	5.5	0.8	22.0	-27.0	-0.1	100.0
1977.....	63.6	18.4	22.3	3.2	14.1	5.1	0.1	23.0	-27.0	-0.4	100.0
1978.....	63.0	18.0	21.6	3.0	13.9	4.7	0.2	24.5	-27.2	-0.1	100.0
1979.....	62.4	17.6	22.1	2.9	15.1	4.2	1.5	24.4	-28.0	0.1	100.0
1980.....	63.0	17.5	22.9	2.9	16.4	3.8	-0.6	24.7	-27.4	-0.1	100.0
1981.....	62.2	17.3	23.5	2.7	17.0	3.7	0.5	24.3	-27.4	-0.4	100.0

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 7
Gross Expenditure Per Capita, Canada and by Province
1962 – 1980

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
D	31720 31236	31742 31237	31764 31238	31786 31239	31808 31240	31830 31241	31852 31242	31874 31243	31896 31244	44014 31245	31940 31246 + 31247	31698 31248
(Dollars)												
1962	1,140	1,158	1,503	1,373	2,132	2,804	2,159	2,201	2,507	2,588	2,085	2,354
1963	1,221	1,192	1,565	1,441	2,204	2,933	2,227	2,591	2,637	2,718	2,198	2,472
1964	1,349	1,302	1,669	1,612	2,398	3,148	2,386	2,456	2,774	2,921	2,250	2,647
1965	1,450	1,415	1,789	1,750	2,584	3,372	2,547	2,652	3,029	3,189	3,080	2,856
1966	1,632	1,517	1,973	1,920	2,818	3,677	2,730	3,121	3,424	3,422	3,316	3,133
1967	1,712	1,614	2,142	2,029	3,005	3,911	2,964	2,861	3,612	3,603	3,486	3,315
1968	1,916	1,814	2,346	2,214	3,172	4,225	3,248	3,031	3,919	3,838	3,993	3,562
1969	2,082	1,944	2,651	2,404	3,431	4,596	3,509	3,265	4,230	4,234	4,291	3,876
1970	2,311	2,178	2,828	2,603	3,647	4,802	3,710	3,215	4,493	4,284	4,540	4,069
1971	2,479	2,307	2,995	2,810	3,918	5,171	3,996	3,788	4,884	4,709	4,306	4,408
1972	2,529	2,551	3,395	3,209	4,337	5,731	4,408	3,997	5,441	5,264	4,904	4,886
1973	2,952	3,216	3,887	3,726	4,936	6,518	5,226	5,222	6,693	6,376	6,312	5,686
1974	3,498	3,318	4,382	4,334	5,790	7,495	6,124	6,964	9,140	7,264	8,205	6,725
1975	3,888	3,887	4,865	4,860	6,435	8,104	6,871	7,812	10,571	7,831	7,660	7,410
1976	4,542	4,422	5,590	5,402	7,417	9,201	7,759	8,591	11,623	9,184	7,539	8,436
1977	5,044	4,664	6,047	5,763	7,954	9,929	8,146	8,938	12,932	10,105	9,486	9,132
1978	5,358	5,366	6,744	6,452	8,811	10,727	8,945	10,080	14,641	11,091	10,762	10,048
1979	6,414	5,967	7,443	7,603	9,820	11,999	10,016	11,488	17,151	12,718	13,220	11,373
1980	6,414	6,345	7,545	7,380	10,740	13,032	10,793	13,444	19,305	13,829	14,197	12,427
(Per cent change)												
1963	7.1	2.9	4.1	5.0	3.4	4.6	3.1	17.7	5.2	5.0	5.4	5.0
1964	10.5	9.2	6.7	11.9	8.8	7.3	7.1	-5.2	5.2	7.4	2.4	7.1
1965	7.5	8.7	7.2	8.5	7.7	7.1	6.8	8.0	9.2	9.2	36.9	7.9
1966	12.5	7.3	10.3	9.7	9.1	9.0	7.2	17.7	13.1	7.3	7.7	9.7
1967	4.9	6.3	8.5	5.7	6.6	6.4	8.6	-8.3	5.5	5.3	5.1	5.8
1968	11.9	12.4	9.5	9.1	5.5	8.0	9.6	5.9	8.5	6.5	14.5	7.5
1969	8.7	7.2	13.0	8.6	8.2	8.8	8.0	7.7	7.9	10.3	7.5	8.8
1970	11.0	12.0	6.7	8.3	6.3	4.5	5.7	-1.5	6.2	1.2	5.8	5.0
1971	7.3	5.9	5.9	8.0	7.4	7.7	7.7	17.8	8.7	9.9	-5.2	8.3
1972	2.0	10.6	13.4	14.2	10.7	10.8	10.3	5.5	11.4	11.8	13.9	10.8
1973	16.7	26.0	14.5	16.1	13.8	13.7	18.6	30.6	23.0	21.1	28.7	16.4
1974	18.5	3.2	12.7	16.3	17.3	15.0	17.2	33.4	36.6	13.9	30.0	18.3
1975	11.1	17.1	11.0	12.1	11.1	8.1	12.2	12.2	15.7	7.8	-6.6	10.2
1976	16.8	13.8	14.9	11.2	15.3	13.5	12.9	10.0	10.0	17.3	-1.6	13.8
1977	11.0	5.5	8.2	6.7	7.2	7.9	5.0	4.0	11.3	10.0	25.8	8.2
1978	6.2	15.1	11.5	12.0	10.8	8.0	9.8	12.8	13.2	9.8	13.4	10.0
1979	19.7	11.2	10.4	17.8	11.5	11.9	12.0	14.0	17.1	14.7	22.8	13.2
1980	0.0	6.3	1.4	-2.9	9.4	8.6	7.7	17.0	12.6	8.7	7.4	9.3

Reference Table 7 (continued)
Gross Expenditure Per Capita, Canada and by Province
1962 – 1980

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
(Personal expenditure per capita, by province, as a percentage of personal expenditure per capita at the national level)												
1962	48.4	49.2	63.8	58.3	90.5	119.1	91.7	93.5	106.5	109.9	88.6	100.0
1963	49.4	48.2	63.3	58.3	89.2	118.7	90.1	104.8	106.7	110.0	88.9	100.0
1964	50.9	49.2	63.1	60.9	90.6	118.9	90.1	92.8	104.8	110.3	85.0	100.0
1965	50.8	49.5	62.7	61.3	90.5	118.1	89.2	92.9	106.1	111.7	107.9	100.0
1966	52.1	48.4	63.0	61.3	90.0	117.4	87.1	99.6	109.3	109.2	105.6	100.0
1967	51.7	48.7	64.6	61.2	90.7	118.0	89.4	86.3	109.0	108.7	105.2	100.0
1968	53.8	50.9	65.8	62.2	89.0	118.6	91.2	85.1	110.0	107.7	112.1	100.0
1969	53.7	50.2	68.4	62.0	88.5	118.6	90.5	84.2	109.1	109.2	110.7	100.0
1970	56.8	53.5	69.5	64.0	89.6	118.0	91.2	79.0	110.4	105.3	111.6	100.0
1971	56.2	52.3	68.0	63.8	88.9	117.3	90.7	85.9	110.8	106.8	97.7	100.0
1972	51.8	52.2	69.5	65.7	88.8	117.3	90.2	81.8	111.4	107.7	100.4	100.0
1973	51.9	56.6	68.4	65.5	86.8	114.6	91.9	91.8	117.7	112.1	111.0	100.0
1974	52.0	49.3	65.2	64.4	86.1	111.4	91.1	103.5	135.9	108.0	122.0	100.0
1975	52.5	52.5	65.7	65.6	86.8	109.4	92.7	105.4	142.7	105.7	103.4	100.0
1976	53.8	52.4	66.3	64.0	87.9	109.1	92.0	101.8	137.8	108.9	89.4	100.0
1977	55.2	51.1	66.2	63.1	87.1	108.7	89.2	97.9	141.6	110.7	103.9	100.0
1978	53.3	53.4	67.1	64.2	87.7	106.8	89.0	100.3	145.7	110.4	107.1	100.0
1979	56.4	52.5	65.4	66.9	86.3	105.5	88.1	101.0	150.8	111.8	116.2	100.0
1980	51.6	51.1	60.7	59.4	86.4	104.9	86.8	108.2	155.3	111.3	114.2	100.0

Note: Gross expenditure per capita is obtained by dividing personal expenditure by population as of June. Percentages are calculated from unrounded data.
Source: Statistics Canada, *Annual Estimates of Population for Canada and Provinces as of June 1; National Income and Expenditure Accounts*.

Reference Table 8
Gross Provincial Expenditures
1962 – 1980

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
D	31720	31742	31764	31786	31808	31830	31852	31874	31896	44014	31940	31698
(Millions of dollars)												
1962.....	533	124	1,121	830	11,449	17,811	2,021	2,047	3,432	4,296	83	43,749
1963.....	581	129	1,175	878	12,081	19,009	2,113	2,417	3,700	4,618	90	46,791
1964.....	651	142	1,260	985	13,392	20,876	2,288	2,313	3,964	5,096	94	51,062
1965.....	708	154	1,352	1,076	14,691	22,888	2,458	2,520	4,391	5,730	126	56,095
1966.....	805	165	1,492	1,184	16,292	25,594	2,629	2,981	5,009	6,413	143	62,706
1967.....	854	176	1,628	1,258	17,621	27,873	2,854	2,738	5,382	7,008	153	67,547
1968.....	969	200	1,799	1,384	18,802	30,683	3,154	2,910	5,973	7,688	180	73,740
1969.....	1,070	216	2,055	1,510	20,534	33,944	3,435	3,128	6,594	8,722	202	81,410
1970.....	1,195	240	2,211	1,632	21,931	36,258	3,647	3,025	7,166	9,116	227	86,648
1971.....	1,294	256	2,363	1,784	23,620	39,829	3,948	3,507	7,951	10,289	228	95,071
1972.....	1,341	288	2,699	2,054	26,258	44,762	4,369	3,654	9,016	11,796	280	106,517
1973.....	1,585	367	3,125	2,410	30,006	51,548	5,205	4,726	11,311	14,677	379	125,339
1974.....	1,892	382	3,558	2,835	35,451	60,363	6,167	6,268	15,739	17,260	492	150,407
1975.....	2,134	455	3,989	3,232	39,762	66,230	6,967	7,086	18,796	19,054	483	168,186
1976.....	2,535	522	4,634	3,657	46,242	76,038	7,930	7,913	21,364	22,656	482	193,974
1977.....	2,845	560	5,049	3,959	49,919	82,960	8,382	8,375	24,532	25,202	607	212,389
1978.....	3,049	655	5,678	4,484	55,270	90,580	9,249	9,556	28,609	28,061	700	235,890
1979.....	3,682	734	6,312	5,330	61,761	102,038	10,337	11,028	34,542	32,699	859	269,321
1980.....	3,720	787	6,436	5,225	67,792	111,740	11,106	13,041	40,174	36,507	923	297,450
(Per cent change)												
1963.....	8.9	3.9	4.8	5.7	5.5	6.7	4.6	18.1	7.8	7.5	8.0	7.0
1964.....	12.1	10.3	7.3	12.3	10.8	9.8	8.2	-4.3	7.2	10.3	4.9	9.1
1965.....	8.6	8.7	7.3	9.3	9.7	9.6	7.4	8.9	10.8	12.4	33.7	9.9
1966.....	13.7	7.3	10.3	10.1	10.9	11.8	6.9	18.3	14.1	11.9	12.9	11.8
1967.....	6.2	6.3	9.1	6.2	8.2	8.9	8.6	-8.1	7.5	9.3	7.6	7.7
1968.....	13.5	13.4	10.5	10.0	6.7	10.1	10.5	6.3	11.0	9.7	17.1	9.2
1969.....	10.4	8.2	14.2	9.1	9.2	10.6	8.9	7.5	10.4	13.5	12.2	10.4
1970.....	11.7	11.0	7.6	8.1	6.8	6.8	6.2	-3.3	8.7	4.5	12.5	6.4
1971.....	8.3	6.9	6.9	9.4	7.7	9.8	8.3	15.9	11.0	12.9	.5	9.7
1972.....	3.6	12.6	14.2	15.1	11.2	12.4	10.7	4.2	13.4	14.6	22.5	12.0
1973.....	18.2	27.2	15.8	17.4	14.3	15.2	19.1	29.3	25.5	24.4	35.5	17.7
1974.....	19.4	4.1	13.9	17.6	18.1	17.1	18.5	32.6	39.1	17.6	30.0	20.0
1975.....	12.8	19.2	12.1	14.0	12.2	9.7	13.0	13.1	19.4	10.4	-2.0	11.8
1976.....	18.8	14.7	16.2	13.2	16.3	14.8	13.8	11.7	13.7	18.9	-0.2	15.3
1977.....	12.2	7.3	9.0	8.2	8.0	9.1	5.7	5.8	14.8	11.2	25.8	9.5
1978.....	7.2	17.0	12.5	13.3	10.7	9.2	10.3	14.1	16.6	11.3	15.2	11.1
1979.....	20.7	12.1	11.2	18.9	11.7	12.6	11.8	15.4	20.7	16.5	22.8	14.2
1980.....	1.0	7.2	2.0	-2.0	9.8	9.5	7.4	18.2	16.3	11.6	7.4	10.4

Source: Statistics Canada, *Provincial Economic Accounts*, annual, cat. 13-213.

Reference Table 9
Percentage Distribution of Gross Provincial Expenditures
1962 – 1980

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
(Percentage distribution of total among provinces)												
1962	1.2	0.3	2.6	1.9	26.2	40.7	4.6	4.7	7.8	9.8	0.2	100.0
1963	1.2	0.3	2.5	1.9	25.8	40.6	4.5	5.2	7.9	9.9	0.2	100.0
1964	1.3	0.3	2.5	1.9	26.2	40.9	4.5	4.5	7.8	10.0	0.2	100.0
1965	1.3	0.3	2.4	1.9	26.2	40.8	4.4	4.5	7.8	10.2	0.2	100.0
1966	1.3	0.3	2.4	1.9	26.0	40.8	4.2	4.8	8.0	10.2	0.2	100.0
1967	1.3	0.3	2.4	1.9	26.1	41.3	4.2	4.1	8.0	10.4	0.2	100.0
1968	1.3	0.3	2.4	1.9	25.5	41.6	4.3	3.9	8.1	10.4	0.2	100.0
1969	1.3	0.3	2.5	1.9	25.2	41.7	4.2	3.8	8.1	10.7	0.2	100.0
1970	1.4	0.3	2.6	1.9	25.3	41.8	4.2	3.5	8.3	10.5	0.3	100.0
1971	1.4	0.3	2.5	1.9	24.8	41.9	4.2	3.7	8.4	10.8	0.2	100.0
1972	1.3	0.3	2.5	1.9	24.7	42.0	4.1	3.4	8.5	11.1	0.3	100.0
1973	1.3	0.3	2.5	1.9	23.9	41.1	4.2	3.8	9.0	11.7	0.3	100.0
1974	1.3	0.3	2.4	1.9	23.6	40.1	4.1	4.2	10.5	11.5	0.3	100.0
1975	1.3	0.3	2.4	1.9	23.6	39.4	4.1	4.2	11.2	11.3	0.3	100.0
1976	1.3	0.3	2.4	1.9	23.8	39.2	4.1	4.1	11.0	11.7	0.2	100.0
1977	1.3	0.3	2.4	1.9	23.5	39.1	3.9	3.9	11.6	11.9	0.3	100.0
1978	1.3	0.3	2.4	1.9	23.4	38.4	3.9	4.1	12.1	11.9	0.3	100.0
1979	1.4	0.3	2.3	2.0	22.9	37.9	3.8	4.1	12.8	12.1	0.3	100.0
1980	1.3	0.3	2.2	1.8	22.8	37.6	3.7	4.4	13.5	12.3	0.3	100.0

Source: Statistics Canada, *Provincial Economic Accounts*.

Reference Table 10
National Income and Gross National Product
1950 – 1981

Years	Wages, salaries and supplementary labour income ⁽¹⁾	Corporation profits before taxes	Dividends paid to non-residents	Interest and miscellaneous investment income	Accrued net income of farm operators from farm production	Net income of non-farm unincorporated business including rents	Inventory valuation adjustment	Net national income at factor cost	Indirect taxes less subsidies	Capital consumption allowances and miscellaneous valuation adjustments	Residual error of estimate	Gross national product at market prices
D		40002 40242	40003 40243	40004 40244	40005 40245	40006 40246	40007 40247	40008 40248	40009 40249	40010 40250	40011 40251	40548 40551
(Millions of dollars)												
1950	9,152	2,608	-412	396	1,301	1,882	-374	14,553	2,065	1,876	-3	18,491
1951	10,770	3,144	-379	463	1,868	1,976	-643	17,199	2,548	2,098	-205	21,640
1952	12,073	3,071	-346	523	1,878	2,155	114	19,468	2,799	2,333	-12	24,588
1953	13,062	2,985	-328	583	1,462	2,359	2	20,125	2,994	2,634	80	25,833
1954	13,451	2,755	-339	628	918	2,498	87	19,998	3,042	2,930	-52	25,918
1955	14,369	3,485	-396	764	1,120	2,748	-182	21,908	3,321	3,337	-38	28,528
1956	16,171	3,928	-450	869	1,283	2,827	-245	24,383	3,731	3,814	130	32,058
1957	17,519	3,554	-505	977	908	2,962	-59	25,356	3,975	4,159	23	33,513
1958	17,982	3,669	-486	1,063	1,116	3,133	-41	26,436	4,036	4,135	170	34,777
1959	19,149	3,966	-527	1,062	1,008	3,207	-108	27,757	4,401	4,461	227	36,846
1960	20,141	3,870	-495	1,129	1,026	3,192	-26	28,837	4,587	4,739	196	38,359
1961	21,009	4,066	-622	1,284	826	3,261	-41	29,783	4,838	4,833	142	39,646
1962	22,468	4,450	-621	1,416	1,377	3,380	-100	32,370	5,446	5,236	-125	42,927
1963	23,932	4,932	-652	1,563	1,562	3,576	-213	34,700	5,714	5,603	-39	45,978
1964	26,034	5,841	-787	1,724	1,307	3,705	-144	37,680	6,441	6,108	51	50,280
1965	28,878	6,318	-828	1,891	1,389	3,893	-322	41,219	7,284	6,655	206	55,364
1966	32,629	6,714	-850	2,070	1,950	4,116	-335	46,294	8,030	7,322	182	61,828
1967	36,160	6,823	-874	2,362	1,239	4,355	-327	49,738	8,852	7,786	33	66,409
1968	39,318	7,742	-835	2,623	1,321	4,778	-341	54,606	9,662	8,308	10	72,586
1969	43,949	8,294	-854	3,082	1,435	5,187	-576	60,517	10,722	9,019	-443	79,815
1970	47,620	7,699	-952	3,428	1,211	5,424	-195	64,235	11,299	9,806	345	85,685
1971	52,436	8,681	-1,079	3,906	1,576	5,928	-665	70,783	12,276	10,500	891	94,450
1972	58,549	10,799	-1,031	4,577	1,662	6,170	-1,032	79,694	13,876	11,474	190	105,234
1973	67,849	15,417	-1,277	5,359	3,009	6,656	-2,362	94,651	15,598	13,355	-44	123,560
1974	81,289	20,062	-1,645	7,632	3,859	6,901	-4,244	113,854	18,257	16,046	-629	147,528
1975	94,625	19,663	-1,835	8,661	3,944	7,669	-2,938	129,789	17,584	18,270	-300	165,343
1976	109,445	19,985	-1,719	11,175	3,317	8,438	-2,064	148,507	21,520	20,738	266	191,031
1977	120,523	20,928	-2,094	13,147	2,831	9,113	-3,419	161,029	23,907	23,043	889	208,868
1978	131,382	25,614	-2,843	15,771	3,585	9,644	-4,577	178,576	25,854	25,662	261	230,353
1979	146,639	34,884	-3,064	19,143	3,983	10,503	-6,718	205,370	27,925	28,854	-188	261,961
1980	164,036	37,172	-3,411	21,782	3,969	11,438	-6,841	228,145	29,191	32,174	349	289,859
1981	186,608	33,856	-4,329	26,326	4,850	12,630	-6,721	253,220	38,241	35,766	1,274	328,501

Reference Table 10 (continued)
National Income and Gross National Product
1950 – 1981

Years	Wages, salaries and supple- mentary labour income ⁽¹⁾	Corpo- ration profits before taxes	Dividends paid to non- residents	Interest and mis- cellaneous invest- ment income	Accrued net income of farm operators from farm produc- tion	Net income of non- farm unin- corporated business including rents	Net national income at factor cost	Indirect taxes less subsidies	Capital consump- tion allowances and mis- cellaneous valuation adjust- ments	Gross national product at market prices
	(Per cent change)									
1950	8.0	29.8	26.4	36.1	7.4	6.1	9.2	10.0	14.1	10.1
1951	17.7	20.6	-8.0	16.9	43.6	5.0	18.2	23.4	11.8	17.0
1952	12.1	-2.3	-8.7	13.0	0.5	9.1	13.2	9.9	11.2	13.6
1953	8.2	-2.8	-5.2	11.5	-22.2	9.5	3.4	7.0	12.9	5.1
1954	3.0	-7.7	3.4	7.7	-37.2	5.9	-0.6	1.6	11.2	0.3
1955	6.8	26.5	16.8	21.7	22.0	10.0	9.6	9.2	13.9	10.1
1956	12.5	12.7	13.6	13.7	14.6	2.9	11.3	12.3	14.3	12.4
1957	8.3	9.5	12.2	12.4	-29.2	4.8	4.0	6.5	9.0	4.5
1958	2.6	3.2	-3.8	8.8	22.9	5.8	4.3	1.5	-0.6	3.8
1959	6.5	8.1	8.4	-0.1	-9.7	2.4	5.0	9.0	7.9	5.9
1960	5.2	-2.4	-6.1	6.3	1.8	-0.5	3.9	4.2	6.2	4.1
1961	4.3	5.1	25.7	13.7	-19.5	2.2	3.3	5.5	3.0	3.4
1962	6.9	9.4	-0.2	10.3	66.7	3.6	8.7	12.6	7.2	8.3
1963	6.5	10.8	5.0	10.4	13.4	5.8	7.2	4.9	7.0	7.1
1964	8.8	18.4	20.7	10.3	-16.3	3.6	8.6	12.7	9.0	9.4
1965	10.9	8.2	5.2	9.7	6.3	5.1	9.4	13.1	9.0	10.1
1966	13.0	6.3	2.7	9.5	40.4	5.7	12.3	10.2	10.0	11.7
1967	10.8	1.6	2.8	14.1	-36.5	5.8	7.4	10.2	6.3	7.4
1968	8.7	13.5	-4.5	11.0	6.6	9.7	9.8	9.2	6.7	9.3
1969	11.8	7.1	2.3	17.5	8.6	8.6	10.8	11.0	8.6	10.0
1970	8.4	-7.2	11.5	11.2	-15.6	4.6	6.1	5.4	8.7	7.4
1971	10.1	12.8	13.3	13.9	30.1	9.3	10.2	8.6	7.1	10.2
1972	11.7	24.4	-4.4	17.2	5.5	4.1	12.6	13.0	9.3	11.4
1973	15.9	42.8	23.9	17.1	81.0	7.9	18.8	12.4	16.4	17.4
1974	19.8	30.1	28.8	42.4	28.2	3.7	20.3	17.0	20.1	19.4
1975	16.4	-2.0	11.6	13.5	2.2	11.1	14.0	-3.7	13.9	12.1
1976	15.6	1.6	-6.3	29.0	-15.9	10.0	14.4	22.4	13.5	15.5
1977	10.2	4.7	21.8	17.6	-14.7	8.0	8.4	11.1	11.1	9.3
1978	9.0	22.4	35.8	20.0	26.6	5.8	10.9	8.1	11.4	10.3
1979	11.6	36.2	7.8	21.4	11.1	8.9	15.0	8.0	12.4	13.7
1980	11.9	6.6	11.3	13.8	-0.4	8.9	11.1	4.5	11.5	10.6
1981	13.8	-8.9	26.9	20.9	22.2	10.4	11.0	31.0	11.2	13.3

⁽¹⁾ Includes military pay and allowances. Unadjusted: D 40000 + 40001; seasonally adjusted: D 40240 + 40241.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 11
Reconciliation of Gross National Product at Market Prices and
Gross Domestic Product at Factor Cost
1953 – 1981

Years	Gross national product at market prices	Residual error of estimate	Indirect taxes less subsidies	Investment income from non-residents	Investment income paid to non-residents	Gross domestic product at factor cost
D	40551	40431	40432	40433	40434	40435
(Millions of dollars)						
1953.....	25,833	- 80	- 2,994	- 194	495	23,060
1954.....	25,918	52	- 3,042	- 181	520	23,267
1955.....	28,528	38	- 3,321	- 201	586	25,630
1956.....	32,058	- 130	- 3,731	- 196	657	28,658
1957.....	33,513	- 23	- 3,975	- 208	771	30,078
1958.....	34,777	- 170	- 4,036	- 238	763	31,096
1959.....	36,846	- 227	- 4,401	- 251	860	32,827
1960.....	38,359	- 196	- 4,587	- 254	870	34,192
1961.....	39,646	- 142	- 4,838	- 300	1,022	35,388
1962.....	42,927	125	- 5,446	- 297	1,068	38,377
1963.....	45,978	39	- 5,714	- 314	1,161	41,150
1964.....	50,280	- 51	- 6,441	- 443	1,351	44,696
1965.....	55,364	- 206	- 7,284	- 465	1,485	48,894
1966.....	61,828	- 182	- 8,030	- 486	1,634	54,764
1967.....	66,409	- 33	- 8,852	- 464	1,733	58,793
1968.....	72,586	- 10	- 9,662	- 590	1,841	64,165
1969.....	79,815	443	- 10,722	- 857	2,099	70,778
1970.....	85,685	- 345	- 11,299	- 1,011	2,397	75,427
1971.....	94,450	- 891	- 12,276	- 953	2,537	82,867
1972.....	105,234	- 190	- 13,876	- 977	2,528	92,719
1973.....	123,560	44	- 15,598	- 1,188	3,012	109,830
1974.....	147,528	629	- 18,257	- 1,386	3,741	132,255
1975.....	165,343	300	- 17,584	- 1,671	4,338	150,726
1976.....	191,031	- 266	- 21,520	- 1,601	4,940	172,584
1977.....	208,868	- 889	- 23,907	- 1,696	6,248	188,624
1978.....	230,353	- 260	- 25,854	- 2,239	8,188	210,187
1979.....	261,961	189	- 27,925	- 2,434	9,761	241,551
1980.....	289,859	- 348	- 29,191	- 3,458	11,561	268,422
1981.....	328,501	- 1,274	- 38,241	- 3,159	14,943	300,770

Reference Table 11 (continued)
Reconciliation of Gross National Product at Market Prices and
Gross Domestic Product at Factor Cost
1953 – 1981

Years	Gross national product at market prices	Indirect taxes less subsidies	Investment income received from non-residents	Investment income paid to non-residents	Gross domestic product at factor cost
(Per cent change)					
1953	5.1	7.0	6.0	-2.4	4.2
1954	0.3	1.6	-6.7	5.1	0.9
1955	10.1	9.2	11.0	12.7	10.2
1956	12.4	12.3	-2.5	12.1	11.8
1957	4.5	6.5	6.1	17.4	5.0
1958	3.8	1.5	14.4	-1.0	3.4
1959	5.9	9.0	5.5	12.7	5.6
1960	4.1	4.2	1.2	1.2	4.2
1961	3.4	5.5	18.1	17.5	3.5
1962	8.3	12.6	-1.0	4.5	8.4
1963	7.1	4.9	5.7	8.7	7.2
1964	9.4	12.7	41.1	16.4	8.6
1965	10.1	13.1	5.0	9.9	9.4
1966	11.7	10.2	4.5	10.0	12.0
1967	7.4	10.2	-4.5	6.1	7.4
1968	9.3	9.2	27.2	6.2	9.1
1969	10.0	11.0	45.2	14.0	10.3
1970	7.4	5.4	18.0	14.2	6.6
1971	10.2	8.6	-5.7	5.8	9.9
1972	11.4	13.0	2.5	-0.4	11.9
1973	17.4	12.4	21.6	19.1	18.5
1974	19.4	17.0	16.7	24.2	20.4
1975	12.1	-3.7	20.6	16.0	14.0
1976	15.5	22.4	-4.2	13.9	14.5
1977	9.3	11.1	5.9	26.5	9.3
1978	10.3	8.1	32.0	31.0	11.4
1979	13.5	8.0	8.7	19.2	14.9
1980	10.6	4.5	42.1	18.4	11.1
1981	13.3	31.0	-8.6	29.3	12.1

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 12
Structural Changes in Income
(Per Cent Distribution of Gross National Product by Components)
1947 – 1981

Years	Wages, salaries and supplementary labour income ⁽¹⁾	Corporation profits before taxes	Dividends paid to non-residents	Interest and miscellaneous investment income	Accrued net income of farm operators from farm production	Net income of non-farm unincorporated business including rents	Inventory valuation adjustment	Net national income at factor cost	Indirect taxes less subsidies	Capital consumption allowances and miscellaneous valuation adjustment	Residual error of estimate	Gross national product at market prices
1947.....	50.1	13.8	-1.9	1.4	8.2	11.2	-4.2	78.5	12.5	9.1	-0.1	100.0
1948.....	50.6	13.2	-1.7	1.6	8.8	10.3	-3.3	79.5	11.8	9.3	-0.7	100.0
1949.....	50.5	12.0	-1.9	1.7	7.2	10.6	-0.7	79.3	11.2	9.8	-0.3	100.0
1950.....	49.5	14.1	-2.2	2.1	7.0	10.2	-2.0	78.7	11.2	10.1	0.0	100.0
1951.....	49.8	14.5	-1.8	2.1	8.6	9.1	-3.0	79.5	11.8	9.7	-0.9	100.0
1952.....	49.1	12.5	-1.4	2.1	7.6	8.8	0.5	79.2	11.4	9.5	0.0	100.0
1953.....	50.6	11.6	-1.3	2.3	5.7	9.1	0.0	77.9	11.6	10.2	0.3	100.0
1954.....	51.9	10.6	-1.3	2.4	3.5	9.6	0.3	77.2	11.7	11.3	-0.2	100.0
1955.....	50.4	12.2	-1.4	2.7	3.9	9.6	-0.6	76.8	11.6	11.7	-0.1	100.0
1956.....	50.4	12.3	-1.4	2.7	4.0	8.8	-0.8	76.1	11.6	11.9	0.4	100.0
1957.....	52.3	10.6	-1.5	2.9	2.7	8.8	-0.2	75.7	11.9	12.4	0.1	100.0
1958.....	51.7	10.6	-1.4	3.1	3.2	9.0	-0.1	76.0	11.6	11.9	0.5	100.0
1959.....	52.0	10.8	-1.4	2.9	2.7	8.7	-0.3	75.3	11.9	12.1	0.6	100.0
1960.....	52.5	10.1	-1.3	2.9	2.7	8.3	-0.1	75.2	12.0	12.4	0.5	100.0
1961.....	53.0	10.3	-1.6	3.2	2.1	8.2	-0.1	75.1	12.2	12.3	0.4	100.0
1962.....	52.3	10.4	-1.4	3.3	3.2	7.9	-0.2	75.4	12.7	12.2	-0.3	100.0
1963.....	52.1	10.7	-1.4	3.4	3.4	7.8	-0.5	75.5	12.4	12.2	-0.1	100.0
1964.....	51.8	11.6	-1.6	3.4	2.6	7.4	-0.3	74.9	12.8	12.1	0.1	100.0
1965.....	52.2	11.4	-1.5	3.4	2.5	7.0	-0.6	74.5	13.2	12.0	0.4	100.0
1966.....	52.8	10.9	-1.4	3.3	3.2	6.7	-0.5	74.9	13.0	11.8	0.3	100.0
1967.....	54.5	10.3	-1.3	3.6	1.9	6.6	-0.5	74.9	13.3	11.7	0.0	100.0
1968.....	54.2	10.7	-1.2	3.6	1.8	6.6	-0.5	75.2	13.3	11.4	0.0	100.0
1969.....	55.1	10.4	-1.1	3.9	1.8	6.5	-0.7	75.8	13.4	11.3	-0.6	100.0
1970.....	55.6	9.0	-1.1	4.0	1.4	6.3	-0.2	75.0	13.2	11.4	0.4	100.0
1971.....	55.5	9.2	-1.1	4.1	1.7	6.3	-0.7	74.9	13.0	11.1	0.9	100.0
1972.....	55.6	10.3	-1.0	4.3	1.6	5.9	-1.0	75.7	13.2	10.9	0.2	100.0
1973.....	54.9	12.5	-1.0	4.3	2.4	5.4	-1.9	76.6	12.6	10.8	0.0	100.0
1974.....	55.1	13.6	-1.1	5.2	2.6	4.7	-2.9	77.2	12.4	10.9	-0.4	100.0
1975.....	57.2	11.9	-1.1	5.2	2.4	4.6	-1.8	78.5	10.6	11.0	-0.2	100.0
1976.....	57.3	10.5	-0.9	5.8	1.7	4.4	-1.1	77.7	11.3	10.9	0.1	100.0
1977.....	57.7	10.0	-1.0	6.3	1.4	4.3	-1.6	77.1	11.4	11.0	0.4	100.0
1978.....	57.0	11.1	-1.2	6.8	1.6	4.2	-2.0	77.5	11.2	11.1	0.1	100.0
1979.....	56.0	13.2	-1.2	7.3	1.5	4.0	-2.6	78.4	10.7	11.1	-0.1	100.0
1980.....	56.6	12.8	-1.2	7.5	1.4	3.9	-2.4	78.7	10.1	11.1	0.1	100.0
1981.....	56.8	10.3	-1.3	8.0	1.5	3.8	-2.0	77.1	11.6	10.9	0.4	100.0

(1) See note 1 on reference table 10.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 13
Structural Changes in Income
(Per Cent Distribution of Net National Income by Components)
1947 – 1981

Years	Wages, salaries and supplementary labour income ⁽¹⁾	Corporation profits before taxes	Dividends paid to non-residents	Interest and miscellaneous investment income	Accrued net income of farm operators from farm production	Net income of non-farm unincorporated business including rents	Inventory valuation adjustment	Net national income at factor cost
1947.....	63.8	17.5	-2.4	1.8	10.4	14.2	-5.4	100.0
1948.....	63.6	16.5	-2.1	2.0	11.0	13.0	-4.1	100.0
1949.....	63.6	15.1	-2.4	2.2	9.1	13.3	-0.8	100.0
1950.....	62.9	17.9	-2.8	2.7	8.9	12.9	-2.6	100.0
1951.....	62.6	18.3	-2.2	2.7	10.9	11.5	-3.7	100.0
1952.....	62.0	15.8	-1.8	2.7	9.6	11.1	0.6	100.0
1953.....	64.9	14.8	-1.6	2.9	7.3	11.7	0.0	100.0
1954.....	67.3	13.8	-1.7	3.1	4.6	12.5	0.4	100.0
1955.....	65.6	15.9	-1.8	3.5	5.1	12.5	-0.8	100.0
1956.....	66.3	16.1	-1.8	3.6	5.3	11.6	-1.0	100.0
1957.....	69.1	14.0	-2.0	3.9	3.6	11.7	-0.2	100.0
1958.....	68.0	13.9	-1.8	4.0	4.2	11.9	-0.2	100.0
1959.....	69.0	14.3	-1.9	3.8	3.6	11.6	-0.4	100.0
1960.....	69.8	13.4	-1.7	3.9	3.6	11.1	-0.1	100.0
1961.....	70.5	13.7	-2.1	4.3	2.8	10.9	-0.1	100.0
1962.....	69.4	13.7	-1.9	4.4	4.3	10.4	-0.3	100.0
1963.....	69.0	14.2	-1.9	4.5	4.5	10.3	-0.6	100.0
1964.....	69.1	15.5	-2.1	4.6	3.5	9.8	-0.4	100.0
1965.....	70.1	15.3	-2.0	4.6	3.4	9.4	-0.8	100.0
1966.....	70.5	14.5	-1.8	4.5	4.2	8.9	-0.7	100.0
1967.....	72.7	13.7	-1.8	4.7	2.5	8.8	-0.7	100.0
1968.....	72.0	14.2	-1.5	4.8	2.4	8.7	-0.6	100.0
1969.....	72.6	13.7	-1.4	5.1	2.4	8.6	-1.0	100.0
1970.....	74.1	12.0	-1.5	5.3	1.9	8.4	-0.3	100.0
1971.....	74.1	12.3	-1.5	5.5	2.2	8.4	-0.9	100.0
1972.....	73.5	13.6	-1.3	5.7	2.1	7.7	-1.3	100.0
1973.....	71.7	16.3	-1.3	5.7	3.2	7.0	-2.5	100.0
1974.....	71.4	17.6	-1.4	6.7	3.4	6.1	-3.7	100.0
1975.....	72.9	15.1	-1.4	6.7	3.0	5.9	-2.3	100.0
1976.....	73.7	13.5	-1.2	7.5	2.2	5.7	-1.4	100.0
1977.....	74.8	13.0	-1.3	8.2	1.8	5.7	-2.1	100.0
1978.....	73.6	14.3	-1.6	8.8	2.0	5.4	-2.6	100.0
1979.....	71.4	17.0	-1.5	9.3	1.9	5.1	-3.3	100.0
1980.....	71.9	16.3	-1.5	9.5	1.7	5.0	-3.0	100.0
1981.....	73.7	13.4	-1.7	10.4	1.9	5.0	-2.7	100.0

(1) See note 1 on reference table 10.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 14
Indexes of Real Income
1947 – 1981
(1971 = 100)

Years	Real net national income			Real personal income			Real personal disposable income			Real wages and salaries and supplementary income and military pay		Real average weekly wages and salaries
	Per capita	Per household	Per employee	Per capita	Per household	Per employee	Per capita	Per household	Per employee	Per paid employee	Per employee ⁽¹⁾	
1947	50.9	59.5	49.1	50.2	58.7	48.4	56.6	66.2	54.6	54.7	—	—
1948	51.1	58.8	50.0	49.9	57.4	48.7	56.6	65.1	55.3	54.4	—	—
1949	51.2	59.1	51.7	49.1	56.8	49.6	56.2	64.9	56.7	55.5	—	—
1950	52.8	60.5	54.1	49.5	56.6	50.6	57.0	65.2	58.3	56.8	—	—
1951	55.4	62.7	56.6	51.7	58.4	52.8	58.7	66.4	60.0	57.4	—	—
1952	59.5	67.1	61.8	54.3	61.2	56.4	61.1	68.9	63.4	60.6	—	—
1953	60.0	67.4	63.2	55.7	62.5	58.6	62.4	70.0	65.7	64.2	—	—
1954	57.4	64.3	62.1	54.1	60.5	58.5	60.6	67.8	65.5	65.4	—	—
1955	61.2	68.3	66.5	56.8	63.3	61.6	63.8	71.2	69.3	66.9	—	—
1956	65.4	72.6	69.9	60.3	67.0	64.4	67.5	74.9	72.1	69.7	—	—
1957	64.0	71.2	68.7	60.7	67.6	65.2	67.7	75.4	72.7	70.9	—	—
1958	63.1	70.4	70.1	60.8	67.8	67.5	65.8	76.4	76.1	70.5	—	—
1959	64.0	71.1	70.7	61.9	68.8	68.4	69.2	76.9	76.5	71.5	—	—
1960	64.5	71.3	71.7	63.2	69.9	70.3	70.1	77.6	78.0	72.9	—	—
1961	64.8	72.1	72.4	62.6	69.6	69.9	69.1	76.9	77.2	74.5	74.5	74.0
1962	68.2	75.4	75.5	66.0	72.9	73.1	73.0	80.7	80.9	75.9	75.3	75.2
1963	70.7	77.6	77.9	67.8	74.4	74.7	75.0	82.3	82.6	77.3	76.4	76.6
1964	74.4	81.0	80.5	70.3	76.6	76.1	77.0	83.9	83.4	79.6	78.3	78.5
1965	78.4	84.7	83.2	74.6	80.6	79.2	81.4	88.0	86.5	82.2	80.9	81.0
1966	83.6	89.8	86.8	79.6	85.4	82.6	85.1	91.4	88.4	84.9	84.1	83.0
1967	85.3	90.4	87.7	82.9	87.8	85.2	87.4	92.5	89.8	88.0	87.5	85.7
1968	88.5	92.4	90.7	86.2	90.0	88.3	89.6	93.5	91.8	89.2	89.3	87.9
1969	93.1	95.7	93.8	90.8	93.4	91.5	92.4	95.1	93.1	92.7	92.3	90.7
1970	94.1	95.3	95.1	93.3	94.4	94.2	93.4	94.6	94.4	95.3	95.2	94.3
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	107.1	105.2	105.2	107.6	105.6	105.6	108.1	106.1	106.1	103.5	103.4	104.3
1973	117.2	112.8	110.8	115.8	111.4	109.5	116.6	112.2	110.2	105.6	105.7	104.5
1974	124.9	118.0	115.0	122.5	115.7	112.8	122.5	115.7	112.8	109.0	108.3	104.2
1975	126.9	117.9	116.6	127.3	118.2	116.9	128.2	119.1	117.7	112.7	112.6	107.6
1976	133.5	121.6	121.7	133.5	121.5	121.6	133.3	121.3	121.5	119.0	119.3	112.4
1977	133.2	119.8	120.7	135.4	121.7	122.7	134.9	121.3	122.2	120.1	119.0	114.7
1978	136.3	120.2	120.6	138.5	122.3	122.6	139.3	122.9	123.3	118.4	118.4	113.4
1979	142.3	122.7	122.1	139.9	120.6	120.1	141.0	121.5	121.0	116.3	116.9	112.8
1980	141.6	119.4	119.5	140.6	118.6	118.7	141.1	119.0	119.1	114.0	115.8	112.4
1981	139.9	115.5	116.3	146.0	120.5	121.4	145.3	119.9	120.8	113.6	114.4	113.4

Reference Table 14 (continued)
Indexes of Real Income
1947 – 1981

Years										Real wages and salaries and supplementary income and military pay		Real average weekly wages and salaries
	Real net national income			Real personal income			Real personal disposable income			Per paid employee	Per employee ⁽¹⁾	
	Per capita	Per household	Per employee	Per capita	Per household	Per employee	Per capita	Per household	Per employee			
(Per cent change)												
1948	0.5	-1.2	1.8	-0.6	-2.3	0.6	0.0	-1.6	1.3	-0.5	—	—
1949	0.0	0.5	3.4	-1.5	-1.0	1.9	-0.8	-0.3	2.6	2.0	—	—
1950	3.3	2.3	4.6	0.7	-0.3	2.0	1.4	0.5	2.8	2.3	—	—
1951	4.9	3.6	4.6	4.5	3.2	4.2	3.1	1.9	2.9	1.0	—	—
1952	7.4	7.1	9.2	5.1	4.8	6.8	4.0	3.7	5.8	5.6	—	—
1953	0.8	0.4	2.3	2.6	2.1	4.0	2.1	1.6	3.6	6.0	—	—
1954	-4.4	-4.6	-1.7	-2.9	-3.2	-0.3	-3.0	-3.2	-0.3	1.8	—	—
1955	6.6	6.3	7.0	5.0	4.6	5.4	5.3	5.0	5.7	2.3	—	—
1956	6.8	6.3	5.1	6.2	5.7	4.5	5.8	5.3	4.1	4.3	—	—
1957	-2.2	-1.9	-1.7	0.6	0.9	1.2	0.3	0.6	0.8	1.6	—	—
1958	-1.3	-1.2	2.0	0.2	0.3	3.6	1.3	1.4	4.7	-0.5	—	—
1959	1.4	1.0	0.9	1.8	1.5	1.3	1.0	0.7	0.5	1.4	—	—
1960	0.7	0.3	1.3	2.1	1.7	2.7	1.3	0.8	1.8	1.9	—	—
1961	0.5	1.0	1.1	-1.0	-0.5	-0.5	-1.4	-0.9	-0.9	2.2	—	—
1962	5.3	4.6	4.3	5.5	4.8	4.5	5.6	4.9	4.7	1.9	1.1	1.6
1963	3.7	3.0	3.1	2.8	2.1	2.2	2.8	2.1	2.2	1.9	1.4	1.9
1964	5.2	4.3	3.4	3.7	2.9	1.9	2.7	1.9	0.9	2.9	2.4	2.5
1965	5.4	4.6	3.3	6.1	5.3	4.1	5.7	4.9	3.7	3.3	3.4	3.2
1966	6.7	6.0	4.3	6.7	6.0	4.2	4.6	3.9	2.2	3.3	3.9	2.4
1967	2.0	0.6	1.0	4.2	2.8	3.1	2.6	1.2	1.6	3.6	4.1	3.2
1968	3.7	2.2	3.4	4.0	2.5	3.7	2.6	1.1	2.3	1.4	2.1	2.7
1969	5.1	3.7	3.4	5.3	3.8	3.6	3.1	1.7	1.5	3.9	3.3	3.2
1970	1.1	-0.4	1.4	2.7	1.1	3.0	1.1	-0.5	1.3	2.8	3.1	3.9
1971	6.3	4.9	5.2	7.2	5.9	6.1	7.0	5.7	5.9	4.9	5.1	6.0
1972	7.1	5.2	5.2	7.6	5.6	5.6	8.1	6.1	6.1	3.5	3.4	4.3
1973	9.4	7.3	5.4	7.6	5.5	3.6	7.8	5.8	3.9	2.0	2.3	0.2
1974	6.5	4.5	3.7	5.8	3.8	3.0	5.0	3.1	2.3	3.3	2.5	-0.3
1975	1.7	0.0	1.4	3.9	2.2	3.7	4.7	2.9	4.4	3.4	3.9	3.3
1976	5.2	3.1	4.4	4.9	2.8	4.1	4.0	1.9	3.2	5.5	5.9	4.5
1977	-0.2	-1.5	-0.8	1.5	0.2	0.8	1.3	0.0	0.6	1.0	-0.2	2.0
1978	2.3	0.4	-0.1	2.3	0.4	-0.1	3.3	1.4	0.8	-1.4	-0.5	-1.2
1979	4.4	2.0	1.3	1.0	-1.3	-2.0	1.2	-1.1	-1.8	-1.8	-1.3	-0.5
1980	-0.5	-2.7	-2.2	0.5	-1.7	-1.2	0.1	-2.1	-1.6	-2.0	-0.9	-0.4
1981	-1.2	-3.3	-2.7	3.8	1.6	2.3	3.0	0.8	1.4	-0.4	-1.2	0.9
1947-1981..	3.0	2.0	2.6	3.2	2.1	2.7	2.8	1.8	2.4	2.2	2.2 ⁽²⁾	2.2 ⁽²⁾
1950-1959..	2.1	1.8	3.0	2.5	2.2	3.4	2.2	1.9	3.1	2.6	—	—
1960-1969..	4.2	3.3	3.0	4.1	3.3	3.0	3.1	2.3	2.0	2.7	2.7 ⁽³⁾	2.6 ⁽³⁾
1970-1979..	4.7	2.8	2.8	4.6	2.7	2.7	4.7	2.8	2.8	2.2	2.3	2.0

(1) "Estimates of employees".

(2) Average from 1961 to 1981.

(3) Average from 1961 to 1969.

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001; *Estimates of Employees by Province and Industry*, monthly, cat. 72-008; *National Income and Expenditure Accounts*, cat. 13-533; *Employment, Earnings and Hours*, monthly, cat. 72-002; and *Census of Canada*, annual, cat. 91-001. Real incomes are computed by dividing the various nominal income measures by the national accounts implicit price index for consumer expenditure. The household data from 1961 to the present, are from Statistics Canada, *Household Equipment*, cat. 64-202, while data prior to 1961 were derived by interpolating the census benchmarks.

Reference Table 15
Personal Income and Expenditure
1947 – 1981

Years	Personal income	Personal disposable income	Personal expenditure	Personal saving	Ratio of personal savings to personal disposable income	Personal disposable income per capita	Personal expenditure per capita
D	40042 40552	40057 40295	40014 40254	40175 40413			
	(Millions of dollars)				(Per cent)	(Dollars)	
1947.....	10,926	9,964	9,362	544	5.5	794	746
1948.....	12,592	11,559	10,370	1,138	9.8	901	809
1949.....	13,396	12,383	11,365	965	7.8	921	845
1950.....	14,262	13,285	12,482	738	5.6	969	910
1951.....	16,791	15,435	13,857	1,496	9.7	1,102	989
1952.....	18,592	16,922	15,162	1,665	9.8	1,170	1,049
1953.....	19,550	17,718	16,181	1,423	8.0	1,194	1,090
1954.....	19,717	17,868	16,934	804	4.5	1,169	1,108
1955.....	21,265	19,331	18,388	797	4.1	1,231	1,171
1956.....	23,531	21,307	20,090	1,051	4.9	1,325	1,249
1957.....	25,170	22,714	21,492	1,047	4.6	1,367	1,294
1958.....	26,651	24,313	22,845	1,278	5.3	1,423	1,338
1959.....	28,108	25,440	24,390	844	3.3	1,455	1,395
1960.....	29,595	26,567	25,479	867	3.3	1,487	1,426
1961.....	30,104	26,904	25,930	745	2.8	1,475	1,422
1962.....	32,788	29,340	27,452	1,647	5.6	1,579	1,477
1963.....	34,829	31,168	29,225	1,691	5.4	1,646	1,544
1964.....	37,282	33,049	31,389	1,383	4.2	1,713	1,627
1965.....	41,071	36,263	33,947	2,001	5.5	1,846	1,728
1966.....	46,094	39,901	36,890	2,662	6.7	1,994	1,843
1967.....	50,579	43,123	39,972	2,736	6.3	2,116	1,962
1968.....	55,677	46,820	43,704	2,639	5.6	2,262	2,111
1969.....	61,804	50,911	47,492	2,730	5.4	2,424	2,261
1970.....	66,633	54,009	50,327	2,872	5.3	2,536	2,363
1971.....	74,092	59,943	55,616	3,509	5.9	2,779	2,579
1972.....	83,767	68,100	62,208	5,015	7.4	3,124	2,853
1973.....	97,832	79,719	71,278	7,230	9.0	3,617	3,234
1974.....	116,867	94,545	83,388	9,406	9.9	4,228	3,729
1975.....	136,205	110,996	96,995	12,139	10.9	4,890	4,273
1976.....	155,343	125,510	110,886	12,560	10.0	5,459	4,823
1977.....	171,303	138,094	122,530	13,367	9.7	5,938	5,268
1978.....	190,067	154,623	135,271	16,702	10.8	6,587	5,762
1979.....	211,394	172,308	150,617	17,806	10.3	7,276	6,360
1980.....	237,272	192,572	168,146	19,459	10.1	8,045	7,025
1981.....	276,631	222,750	190,025	25,750	11.6	9,209	7,856

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 16
Personal Income, Canada and by Province
1951 - 1980

Years	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
D	30303	30304	30305	30306	30307	30308	30309	30310	30311	30312	30313	30315
(Millions of dollars)												
1951	209	64	533	415	4,085	6,521	938	1,069	1,250	1,665	26	16,791
1952	229	78	604	438	4,558	7,207	1,006	1,213	1,344	1,863	31	18,592
1953	256	65	637	447	4,862	7,681	1,012	1,138	1,417	1,976	34	19,550
1954	272	69	664	468	5,029	7,930	1,002	824	1,346	2,050	39	19,717
1955	292	67	683	489	5,296	8,525	1,073	1,058	1,475	2,242	43	21,265
1956	325	85	732	534	5,840	9,320	1,206	1,205	1,719	2,482	59	23,531
1957	350	77	785	556	6,363	10,211	1,223	1,037	1,749	2,728	59	25,170
1958	361	83	820	585	6,655	10,802	1,352	1,156	1,958	2,786	59	26,651
1959	383	96	874	626	7,005	11,406	1,419	1,200	2,039	2,948	61	28,108
1960	412	97	920	664	7,422	11,923	1,492	1,352	2,134	3,058	63	29,595
1961	440	102	946	671	7,828	12,187	1,436	1,084	2,199	3,091	59	30,104
1962	462	114	995	707	8,446	13,098	1,611	1,529	2,411	3,279	62	32,788
1963	493	116	1,043	751	8,933	13,976	1,647	1,686	2,535	3,509	67	34,829
1964	531	128	1,108	809	9,742	15,030	1,775	1,539	2,652	3,822	70	37,282
1965	604	137	1,181	880	10,685	16,537	1,892	1,789	2,941	4,271	69	41,071
1966	680	151	1,302	979	11,880	18,655	2,039	2,047	3,374	4,817	80	46,094
1967	755	168	1,446	1,067	13,175	20,553	2,280	1,932	3,665	5,348	90	50,579
1968	837	189	1,580	1,183	14,193	22,844	2,523	2,187	4,111	5,837	104	55,677
1969	923	205	1,766	1,295	15,565	25,629	2,704	2,269	4,589	6,645	122	61,804
1970	1,025	229	1,895	1,412	16,682	27,974	2,857	2,133	4,953	7,245	148	66,633
1971	1,143	243	2,100	1,576	18,369	30,966	3,192	2,555	5,534	8,182	158	74,092
1972	1,301	287	2,436	1,810	20,823	34,822	3,564	2,767	6,267	9,417	193	83,767
1973	1,526	355	2,850	2,105	24,067	39,884	4,244	3,673	7,471	11,331	235	97,832
1974	1,903	400	3,375	2,539	28,980	47,060	4,985	4,519	9,019	13,687	293	116,867
1975	2,259	493	3,894	3,080	33,801	53,902	5,865	5,660	10,991	15,787	346	136,205
1976	2,582	547	4,416	3,460	39,204	60,959	6,473	6,199	12,783	18,187	398	155,343
1977	2,848	598	4,913	3,783	43,037	67,164	7,059	6,373	14,575	20,348	459	171,303
1978	3,064	701	5,500	4,176	47,398	74,178	7,759	7,091	16,787	22,749	509	190,067
1979	3,399	765	6,056	4,547	52,434	81,840	8,372	7,869	19,850	25,528	574	211,394
1980	3,679	874	6,692	5,016	59,144	91,002	9,133	8,757	23,030	29,111	665	237,272
(Per cent change)												
1952	9.6	21.9	13.3	5.5	11.6	10.5	7.2	13.5	7.5	11.9	19.2	10.7
1953	11.8	-16.7	5.5	2.1	6.7	6.6	0.6	-6.2	5.4	6.1	9.7	5.2
1954	6.2	6.2	4.2	4.7	3.4	3.2	-1.0	-27.6	-5.0	3.7	14.7	0.9
1955	7.4	-2.9	2.9	4.5	5.3	7.5	7.1	28.4	9.6	9.4	10.3	7.9
1956	11.3	26.9	7.2	9.2	10.3	9.3	12.4	13.9	16.5	10.7	37.2	10.7
1957	7.7	-9.4	7.2	4.1	9.0	9.6	1.4	-13.9	1.7	9.9	0.0	7.0
1958	3.1	7.8	4.5	5.2	4.6	5.8	10.5	11.5	11.9	2.5	0.0	5.9
1959	6.1	15.7	6.6	7.0	5.3	5.6	5.0	3.8	4.1	5.8	3.4	5.5
1960	7.6	1.0	5.3	6.1	6.0	4.5	5.1	12.7	4.7	3.7	3.3	5.3
1961	6.8	5.2	2.8	1.1	5.5	2.2	-3.8	-19.8	3.0	1.1	-6.3	1.7
1962	5.0	11.8	5.2	5.4	7.9	7.5	12.2	41.1	9.6	6.1	5.1	8.9
1963	6.7	1.8	4.8	6.2	5.8	6.7	2.2	10.3	5.1	7.0	8.1	6.2
1964	7.7	10.3	6.2	7.7	9.1	7.5	7.8	-8.7	4.6	8.9	4.5	7.0
1965	13.7	7.0	6.6	8.8	9.7	10.0	6.6	16.2	10.9	11.7	-1.4	10.2
1966	12.6	10.2	10.2	11.2	11.2	12.8	7.8	14.4	14.7	12.8	15.9	12.2
1967	11.0	11.3	11.1	9.0	10.9	10.2	11.8	-5.6	8.6	11.0	12.5	9.7
1968	10.9	12.5	9.3	10.9	7.7	11.1	10.7	13.2	12.2	9.1	15.6	10.1
1969	10.3	8.5	11.8	9.5	9.7	12.2	7.2	3.7	11.6	13.8	17.3	11.0
1970	11.1	11.7	7.3	9.0	7.2	9.1	5.7	-6.0	7.9	9.0	21.3	7.8
1971	11.5	6.1	10.8	11.6	10.1	10.7	11.7	19.8	11.7	12.9	6.8	11.2
1972	13.8	18.1	16.0	14.8	13.4	12.5	11.7	8.3	13.2	15.1	22.2	13.1
1973	17.3	23.7	17.0	16.3	15.6	14.5	19.1	32.7	19.2	20.3	21.8	16.8
1974	24.7	12.7	18.4	20.6	20.4	18.0	17.5	23.0	20.7	20.8	24.7	19.5
1975	18.7	23.2	15.4	21.3	16.6	14.5	17.7	25.2	21.9	15.3	18.1	16.5
1976	14.3	11.0	13.4	12.3	16.0	13.1	10.4	9.5	16.3	15.2	15.0	14.1
1977	10.3	9.3	11.3	9.3	9.8	10.2	9.1	2.8	14.0	11.9	15.3	10.3
1978	7.6	17.2	11.9	10.4	10.1	10.4	9.9	11.3	15.2	11.8	10.9	11.0
1979	10.9	9.1	10.1	8.9	10.6	10.3	7.9	11.0	18.2	12.2	12.8	11.2
1980	8.2	14.2	10.5	10.3	12.8	11.2	9.1	11.3	16.0	14.0	15.9	12.2

Reference Table 16 (continued)
 Personal Income, Canada and by Province
 1951 – 1980

Years	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
(Percentage distribution of total among provinces)												
1951	1.2	0.4	3.2	2.5	24.3	38.8	5.6	6.4	7.4	9.9	0.2	100.0
1952	1.2	0.4	3.2	2.4	24.5	38.8	5.4	6.5	7.2	10.0	0.2	100.0
1953	1.3	0.3	3.3	2.3	24.9	39.3	5.2	5.8	7.2	10.1	0.2	100.0
1954	1.4	0.3	3.4	2.4	25.5	40.2	5.1	4.2	6.8	10.4	0.2	100.0
1955	1.4	0.3	3.2	2.3	24.9	40.1	5.0	5.0	6.9	10.5	0.2	100.0
1956	1.4	0.4	3.1	2.3	24.8	39.6	5.1	5.1	7.3	10.5	0.3	100.0
1957	1.4	0.3	3.1	2.2	25.3	40.6	4.9	4.1	7.0	10.8	0.2	100.0
1958	1.4	0.3	3.1	2.2	25.0	40.5	5.1	4.3	7.3	10.5	0.2	100.0
1959	1.4	0.3	3.1	2.2	24.9	40.6	5.0	4.3	7.3	10.5	0.2	100.0
1960	1.4	0.3	3.1	2.2	25.1	40.3	5.0	4.6	7.2	10.3	0.2	100.0
1961	1.5	0.3	3.1	2.2	26.0	40.5	4.8	3.6	7.3	10.3	0.2	100.0
1962	1.4	0.3	3.0	2.2	25.8	39.9	4.9	4.7	7.4	10.0	0.2	100.0
1963	1.4	0.3	3.0	2.2	25.6	40.1	4.7	4.8	7.3	10.1	0.2	100.0
1964	1.4	0.3	3.0	2.2	26.1	40.3	4.8	4.1	7.1	10.3	0.2	100.0
1965	1.5	0.3	2.9	2.1	26.0	40.3	4.6	4.4	7.2	10.4	0.2	100.0
1966	1.5	0.3	2.8	2.1	25.8	40.5	4.4	4.4	7.3	10.5	0.2	100.0
1967	1.5	0.3	2.9	2.1	26.0	40.6	4.5	3.8	7.2	10.6	0.2	100.0
1968	1.5	0.3	2.8	2.1	25.5	41.0	4.5	3.9	7.4	10.5	0.2	100.0
1969	1.5	0.3	2.9	2.1	25.2	41.5	4.4	3.7	7.4	10.8	0.2	100.0
1970	1.5	0.3	2.8	2.1	25.0	42.0	4.3	3.2	7.4	10.9	0.2	100.0
1971	1.5	0.3	2.8	2.1	24.8	41.8	4.3	3.4	7.5	11.0	0.2	100.0
1972	1.6	0.3	2.9	2.2	24.9	41.6	4.3	3.3	7.5	11.2	0.2	100.0
1973	1.6	0.4	2.9	2.2	24.6	40.8	4.3	3.8	7.6	11.6	0.2	100.0
1974	1.6	0.3	2.9	2.2	24.8	40.3	4.3	3.9	7.7	11.7	0.3	100.0
1975	1.7	0.4	2.9	2.3	24.8	39.6	4.3	4.2	8.1	11.6	0.3	100.0
1976	1.7	0.4	2.8	2.2	25.2	39.2	4.2	4.0	8.2	11.7	0.3	100.0
1977	1.7	0.3	2.9	2.2	25.1	39.2	4.1	3.7	8.5	11.9	0.3	100.0
1978	1.6	0.4	2.9	2.2	24.9	39.0	4.1	3.7	8.8	12.0	0.3	100.0
1979	1.6	0.4	2.9	2.2	24.8	38.7	4.0	3.7	9.4	12.1	0.3	100.0
1980	1.6	0.4	2.8	2.1	24.9	38.4	3.8	3.7	9.7	12.3	0.3	100.0

Note: The Canada figure includes personal income of Canadians temporarily abroad (including pay and allowances of Canadian Armed Forces abroad).
 The Yukon and the Northwest Territories are included with British Columbia up to 1950.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 17
Personal Income Per Capita, Canada and by Province
1951 - 1980

Years	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
D	30316	30317	30318	30319	30320	30321	30322	30323	30324	30325	30326	30327
(Dollars)												
1951	579	653	829	804	1,007	1,418	1,209	1,285	1,331	1,429	1,040	1,199
1952	612	780	925	833	1,092	1,505	1,261	1,439	1,387	1,546	1,240	1,286
1953	668	644	961	839	1,139	1,555	1,251	1,322	1,400	1,583	1,360	1,317
1954	689	683	987	867	1,146	1,550	1,217	944	1,273	1,583	1,444	1,290
1955	719	670	1,000	894	1,172	1,619	1,279	1,205	1,352	1,671	1,483	1,355
1956	783	859	1,053	962	1,262	1,724	1,419	1,368	1,531	1,774	1,903	1,463
1957	825	778	1,120	989	1,334	1,812	1,419	1,178	1,503	1,841	1,903	1,515
1958	836	830	1,157	1,025	1,357	1,856	1,545	1,297	1,624	1,811	1,788	1,560
1959	869	951	1,216	1,076	1,394	1,911	1,593	1,323	1,634	1,881	1,794	1,608
1960	920	942	1,265	1,127	1,443	1,951	1,647	1,478	1,653	1,909	1,750	1,656
1961	961	971	1,284	1,122	1,488	1,954	1,557	1,172	1,651	1,897	1,595	1,651
1962	987	1,065	1,334	1,169	1,573	2,062	1,721	1,644	1,761	1,975	1,550	1,764
1963	1,036	1,074	1,389	1,233	1,630	2,156	1,736	1,807	1,807	2,065	1,634	1,840
1964	1,099	1,174	1,468	1,324	1,745	2,267	1,851	1,634	1,856	2,190	1,667	1,933
1965	1,238	1,257	1,562	1,431	1,880	2,436	1,961	1,883	2,028	2,377	1,683	2,091
1966	1,379	1,385	1,722	1,587	2,055	2,680	2,117	2,143	2,306	2,570	1,860	2,303
1967	1,513	1,541	1,903	1,721	2,247	2,884	2,368	2,019	2,460	2,750	2,045	2,482
1968	1,654	1,718	2,060	1,893	2,394	3,146	2,598	2,278	2,698	2,914	2,311	2,690
1969	1,796	1,847	2,279	2,062	2,601	3,470	2,762	2,368	2,944	3,226	2,596	2,943
1970	1,983	2,082	2,423	2,252	2,774	3,705	2,906	2,267	3,105	3,405	2,960	3,129
1971	2,190	2,189	2,662	2,482	3,047	4,020	3,231	2,759	3,399	3,745	2,981	3,435
1972	2,455	2,540	3,064	2,828	3,440	4,459	3,596	3,027	3,782	4,202	3,386	3,842
1973	2,842	3,114	3,545	3,253	3,959	5,043	4,261	4,059	4,421	4,922	3,917	4,438
1974	3,518	3,478	4,156	3,882	4,733	5,843	4,950	5,021	5,238	5,761	4,883	5,226
1975	4,115	4,214	4,749	4,632	5,470	6,596	5,784	6,240	6,182	6,489	5,492	6,001
1976	4,627	4,636	5,327	5,111	6,288	7,376	6,334	6,731	6,955	7,372	6,219	6,756
1977	5,050	4,983	5,884	5,507	6,857	8,039	6,860	6,801	7,683	8,159	7,172	7,365
1978	5,385	5,746	6,532	6,009	7,556	8,785	7,504	7,480	8,591	8,992	7,831	8,096
1979	5,922	6,220	7,142	6,486	8,337	9,624	8,112	8,197	9,856	9,929	8,831	8,927
1980	6,343	7,048	7,845	7,085	9,370	10,614	8,876	9,028	11,067	11,027	10,231	9,913
(Per cent change)												
1951	9.1	13.5	7.1	10.2	12.7	12.5	14.5	48.3	27.2	10.0	n.a.	15.2
1952	5.8	19.4	11.6	3.5	8.4	6.1	4.3	12.0	3.8	8.2	19.2	7.3
1953	9.2	-17.5	3.9	0.7	4.3	3.3	-0.8	-8.1	1.4	2.4	9.7	2.4
1954	3.0	6.2	2.7	3.3	0.6	-0.3	-2.7	-28.6	-9.1	-0.2	6.2	-2.1
1955	4.4	-1.9	1.4	3.2	2.3	4.4	5.0	27.7	6.2	5.5	2.7	5.0
1956	8.9	28.1	5.3	7.6	7.6	6.5	-0.2	13.5	13.2	6.2	28.4	8.0
1957	5.4	-9.4	6.3	2.8	5.7	5.1	0.0	-13.9	-1.8	3.8	0.0	3.6
1958	1.2	6.7	3.3	3.6	1.7	2.4	8.9	10.1	8.1	-1.6	-6.1	3.0
1959	3.9	14.5	5.1	5.0	2.7	3.0	3.1	2.0	0.6	3.9	0.3	3.0
1960	5.9	-0.9	4.1	4.8	3.5	2.1	3.4	11.7	1.2	1.5	-2.5	3.0
1961	4.5	3.2	1.4	-0.5	3.1	0.2	-5.4	-20.7	-0.1	-0.6	-8.9	-0.3
1962	2.8	9.7	3.9	4.1	5.6	5.5	10.5	40.3	6.7	4.1	-2.8	6.9
1963	4.9	0.8	4.1	5.5	3.6	4.6	0.8	9.9	2.6	4.6	5.4	4.3
1964	6.1	9.3	5.7	7.4	7.0	5.1	6.6	-9.6	2.7	6.0	2.0	5.1
1965	12.6	7.0	6.4	8.1	7.7	7.5	5.9	15.3	9.3	8.5	1.0	8.2
1966	11.4	10.2	10.2	10.9	9.3	10.0	8.0	13.8	13.7	8.1	10.5	10.1
1967	9.7	11.3	10.5	8.5	9.3	7.6	11.8	-5.8	6.7	7.0	9.9	7.8
1968	9.3	11.5	8.3	10.0	6.6	9.1	9.7	12.8	9.7	6.0	13.0	8.4
1969	8.6	7.5	10.6	8.9	8.6	10.3	6.3	4.0	9.1	10.7	12.3	9.4
1970	10.4	12.7	6.3	9.2	6.7	6.8	5.2	-4.3	5.5	5.5	14.0	6.3
1971	10.4	5.2	9.8	10.2	9.8	8.5	11.2	21.7	9.5	10.0	0.7	9.8
1972	12.1	16.0	15.1	14.0	12.9	10.9	11.3	9.7	11.3	12.2	13.6	11.8
1973	15.8	22.6	15.7	15.0	15.1	13.1	18.5	34.1	16.9	17.1	15.7	15.5
1974	23.8	11.7	17.3	19.3	19.5	15.9	16.2	23.7	18.5	17.0	24.7	17.7
1975	17.0	21.1	14.3	19.3	15.6	12.9	16.8	24.3	18.0	12.6	12.5	14.8
1976	12.5	10.0	12.2	10.3	14.9	11.8	9.5	7.9	12.5	13.6	13.2	12.6
1977	9.1	7.5	10.5	7.7	9.1	9.0	8.3	1.1	10.5	10.7	15.3	9.0
1978	6.6	15.3	11.0	9.1	10.2	9.3	9.4	10.0	11.8	10.2	9.2	9.9
1979	10.0	8.2	9.3	8.0	10.3	9.6	8.1	9.6	14.7	10.4	12.8	10.3
1980	7.1	13.3	9.9	9.2	12.4	10.3	9.4	10.1	12.3	11.1	15.9	11.0

Reference Table 17 (continued)
 Personal Income Per Capita, Canada and by Province
 1951 – 1980

Years	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
(Personal income per capita, by province, as a percentage of personal income per capita at the national level)												
1951	48.3	54.5	69.2	67.1	84.0	118.3	100.8	107.2	110.6	119.2	86.8	100.0
1952	47.6	60.7	71.9	64.8	84.9	117.1	98.0	111.9	107.4	120.2	96.4	100.0
1953	50.8	48.9	73.0	63.7	86.5	118.0	95.0	100.4	106.3	120.2	103.3	100.0
1954	53.4	53.0	76.5	67.2	88.9	120.2	94.4	73.2	98.7	122.7	112.0	100.0
1955	53.1	49.5	73.8	66.0	86.6	119.5	94.4	89.0	99.8	123.3	109.5	100.0
1956	53.5	58.7	72.0	65.8	86.2	117.8	97.0	93.5	104.6	121.2	130.1	100.0
1957	54.5	51.3	73.9	65.3	88.0	119.6	93.6	77.8	99.2	121.5	125.6	100.0
1958	53.6	53.2	74.1	65.7	87.0	118.9	99.0	83.1	104.0	116.1	114.6	100.0
1959	54.0	59.1	75.6	66.9	86.7	118.9	99.1	82.3	101.6	117.0	111.6	100.0
1960	55.5	56.9	76.4	68.1	87.2	117.8	99.4	89.2	99.8	115.3	105.7	100.0
1961	58.2	58.9	77.8	68.0	90.2	118.4	94.4	71.0	100.0	115.0	96.6	100.0
1962	55.9	60.4	75.6	66.2	89.1	116.9	97.5	93.2	99.8	112.0	87.8	100.0
1963	56.3	58.4	75.5	67.0	88.6	117.2	94.3	98.2	98.2	112.3	88.8	100.0
1964	56.9	60.8	75.9	68.5	90.3	117.3	95.8	84.5	96.0	113.3	86.2	100.0
1965	59.2	60.1	74.7	68.4	89.9	116.5	93.8	90.1	97.0	113.7	80.5	100.0
1966	59.9	60.2	74.8	68.9	89.2	116.4	91.9	93.1	100.1	111.6	80.8	100.0
1967	61.0	62.1	76.7	69.3	90.5	116.2	95.4	81.3	99.1	110.8	82.4	100.0
1968	61.5	63.9	76.6	70.4	89.0	117.0	96.6	84.7	100.3	108.3	85.9	100.0
1969	61.0	62.8	77.4	70.1	88.4	117.9	93.9	80.5	100.0	109.6	88.2	100.0
1970	63.4	66.5	77.5	72.0	88.7	118.4	92.9	72.4	99.3	108.8	94.6	100.0
1971	63.7	63.7	77.5	72.2	88.7	117.0	94.0	80.3	99.0	109.0	86.8	100.0
1972	63.9	66.1	79.8	73.6	89.5	116.0	93.6	78.8	98.4	109.4	88.1	100.0
1973	64.0	70.2	79.9	73.3	89.2	113.6	96.0	91.4	99.6	110.9	88.2	100.0
1974	67.3	66.6	79.5	74.3	90.6	111.8	94.7	96.1	100.2	110.2	93.4	100.0
1975	68.6	70.2	79.1	77.2	91.2	109.9	96.4	104.0	103.0	108.1	91.5	100.0
1976	68.5	68.6	78.8	75.6	93.1	109.2	93.7	99.6	102.9	109.1	92.0	100.0
1977	68.6	67.7	79.9	74.8	93.1	109.1	93.1	92.3	104.3	110.8	97.4	100.0
1978	66.5	71.0	80.7	74.2	93.3	108.5	92.7	92.4	106.1	111.1	96.7	100.0
1979	66.3	69.7	80.0	72.7	93.4	107.8	90.9	91.8	110.4	111.2	98.9	100.0
1980	64.0	71.1	79.1	71.5	94.5	107.1	89.5	91.1	111.6	111.2	103.2	100.0

Note: Personal income per capita is obtained by dividing Personal Income by Population as of June. Per cent changes are calculated from unrounded data.
 Source: Statistics Canada, *Estimates of Population for Canada and Provinces at June 1; National Income and Expenditure Accounts*.

Reference Table 18
Value of Retail Trade, Canada and by Region
1950 – 1981⁽¹⁾

Years	Motor vehicle dealers	All other types of business	Total all stores					British Columbia(2)
			Canada	Atlantic region	Quebec	Ontario	Prairie region	
(Millions of dollars)								
1950.....	1,505	8,112	9,617	822	2,183	3,715	1,914	982
1951.....	1,884	8,809	10,693	899	2,443	4,130	2,122	1,100
1952.....	2,105	9,462	11,567	971	2,658	4,409	2,340	1,190
1953.....	2,303	9,886	12,189	1,004	2,793	4,666	2,485	1,241
1954.....	2,055	10,262	12,317	1,024	2,868	4,762	2,391	1,274
1955.....	2,415	11,058	13,473	1,125	3,109	5,296	2,496	1,447
1956.....	2,598	12,176	14,774	1,209	3,463	5,734	2,728	1,640
1957.....	2,547	12,876	15,423	1,233	3,710	5,943	2,855	1,683
1958.....	2,485	13,654	16,139	1,287	3,854	6,271	3,021	1,705
1959.....	2,701	14,386	17,087	1,356	4,114	6,615	3,208	1,793
1960.....	2,650	14,741	17,391	1,421	4,213	6,751	3,250	1,755
1961.....	2,599	15,154	17,752	1,456	4,490	6,808	3,238	1,760
1961.....	2,599	13,474	16,073	1,381	4,108	6,207	2,774	1,604
1962.....	2,957	14,180	17,137	1,429	4,486	6,526	2,945	1,751
1963.....	3,312	14,895	18,207	1,511	4,770	6,948	3,098	1,880
1964.....	3,612	15,881	19,493	1,616	5,120	7,366	3,305	2,086
1965.....	4,175	16,979	21,155	1,762	5,534	8,043	3,509	2,307
1966.....	4,338	18,349	22,686	1,861	5,882	8,625	3,811	2,507
1967.....	4,433	19,722	24,155	1,979	6,379	9,091	4,058	2,648
1968.....	4,714	20,997	25,711	2,135	6,565	9,885	4,267	2,859
1969.....	4,796	22,606	27,401	2,191	6,962	10,588	4,494	3,165
1970.....	4,197	23,837	28,034	2,295	7,074	10,885	4,520	3,260
1971.....	4,925	25,722	30,646	2,532	7,681	11,877	4,924	3,632
1972.....	6,240	27,846	34,086	2,786	8,612	13,058	5,568	4,062
1973.....	7,422	30,891	38,313	3,095	9,697	14,505	6,281	4,735
1974.....	8,303	36,435	44,739	3,638	11,385	16,570	7,603	5,543
1975.....	10,184	41,178	51,361	4,167	13,020	19,151	8,955	6,068
1976.....	11,058	46,070	57,128	4,625	14,448	21,057	10,183	6,815
1977.....	11,750	49,873	61,623	4,921	15,563	22,719	10,967	7,452
1978.....	13,480	55,299	68,778	5,615	17,196	25,186	12,355	8,426
1979.....	15,421	61,604	77,025	6,295	19,625	27,515	14,191	9,399
1980.....	15,698	68,328	84,026	6,628	20,895	29,666	16,027	10,810
1981.....	16,692	77,845	94,537	7,243	22,784	33,809	18,356	12,345

Note: Figures may not cross-add due to rounding.

⁽¹⁾ Retail trade data prior to 1975 were based on samples of retail firms benchmarked to census information; there were overlaps of data benchmarked to different census years. Beginning with 1975, and extended back to 1971, retail trade data were obtained from a sample of firms derived from non-census information and these data are not comparable to earlier data. Data prior to 1961 were based on the 1948 Standard Industrial Classification, and the more recent data are based on the 1960 S.I.C.

⁽²⁾ Includes the Yukon and Northwest Territories.

Source: Statistics Canada, *Retail Trade*, cat. 63-005.

Reference Table 19
Private and Public Investment in Canada
1956 – 1981

Years	Capital expenditures				Total	Capital expenditures				Total
	Construc- tion	Machinery and equipment	Sub- total	Repair expendi- tures		Construc- tion	Machinery and equipment	Sub- total	Repair expendi- tures	
Primary and construction industries					Manufacturing					
(Millions of dollars)										
1956	534	772	1,306	475	1,781	488	906	1,394	578	1,972
1957	544	702	1,246	461	1,707	520	959	1,479	613	2,092
1958	378	619	997	468	1,465	398	697	1,095	572	1,667
1959	396	678	1,074	517	1,591	374	770	1,144	662	1,806
1960	451	683	1,134	522	1,656	335	843	1,178	671	1,849
1961	572	639	1,211	512	1,723	279	806	1,085	682	1,767
1962	568	738	1,306	536	1,842	353	916	1,269	750	2,019
1963	599	879	1,478	586	2,064	355	1,003	1,358	801	2,159
1964	702	1,051	1,753	660	2,413	443	1,388	1,831	896	2,727
1965	869	1,151	2,020	724	2,744	604	1,736	2,340	974	3,314
1966	1,066	1,348	2,414	796	3,210	788	2,126	2,914	1,096	4,010
1967	1,069	1,427	2,496	854	3,350	677	1,857	2,534	1,156	3,690
1968	1,086	1,341	2,427	914	3,341	657	1,542	2,199	1,232	3,431
1969	1,203	1,323	2,526	985	3,511	772	1,828	2,600	1,306	3,906
1970	1,284	1,268	2,552	1,112	3,664	997	2,226	3,223	1,417	4,640
1971	1,605	1,508	3,113	1,212	4,325	873	2,121	2,994	1,483	4,477
1972	1,528	1,785	3,313	1,304	4,617	829	2,119	2,948	1,657	4,605
1973	1,756	2,102	3,858	1,582	5,439	986	2,682	3,668	1,919	5,587
1974	2,184	2,529	4,713	1,899	6,612	1,425	3,525	4,950	2,310	7,260
1975	2,619	3,205	5,824	2,198	8,022	1,569	3,953	5,522	2,445	7,967
1976	3,094	4,168	7,262	2,540	9,802	1,440	4,026	5,465	2,891	8,357
1977	3,683	4,219	7,902	2,772	10,674	1,659	4,422	6,081	3,216	9,297
1978	4,058	4,440	8,498	2,972	11,469	1,544	4,635	6,178	3,596	9,774
1979	5,798	5,510	11,308	3,629	14,937	1,611	5,833	7,444	4,098	11,541
1980	7,934	6,135	14,070	3,901	17,971	2,053	7,453	9,505	4,572	14,077
1981	9,555	7,008	16,563	4,220	20,783	2,523	9,183	11,706	5,103	16,809
Utilities					Trade, finance and commercial services					
(Millions of dollars)										
1956	1,086	676	1,762	640	2,402	327	284	611	138	749
1957	1,475	833	2,308	677	2,985	383	307	690	146	836
1958	1,405	748	2,153	650	2,803	396	309	705	146	851
1959	1,118	724	1,842	703	2,545	462	371	833	168	1,001
1960	1,074	698	1,772	713	2,485	466	409	875	168	1,043
1961	1,088	610	1,698	723	2,421	451	396	847	162	1,009
1962	982	619	1,601	734	2,335	438	422	860	164	1,024
1963	1,111	660	1,771	774	2,545	468	450	918	183	1,101
1964	1,332	727	2,059	822	2,881	548	494	1,042	195	1,237
1965	1,443	980	2,423	867	3,290	705	564	1,269	220	1,489
1966	1,666	1,260	2,926	945	3,871	860	667	1,527	248	1,775
1967	1,748	1,397	3,145	1,019	4,164	764	770	1,534	272	1,806
1968	1,774	1,446	3,220	1,070	4,290	710	762	1,472	300	1,772
1969	1,719	1,586	3,305	1,113	4,418	704	952	1,656	299	1,955
1970	2,044	1,584	3,628	1,218	4,846	760	985	1,745	323	2,068
1971	2,228	1,760	3,988	1,318	5,306	901	1,014	1,915	324	2,239
1972	2,357	1,872	4,229	1,424	5,653	1,212	1,430	2,642	355	2,997
1973	2,673	2,484	5,157	1,617	6,774	1,685	1,759	3,445	420	3,864
1974	3,154	3,087	6,241	2,002	8,243	2,184	2,145	4,329	510	4,839
1975	4,403	3,630	8,033	2,229	10,262	2,768	2,448	5,216	591	5,807
1976	4,426	3,828	8,254	2,588	10,842	2,724	2,546	5,270	724	5,994
1977	5,073	4,115	9,188	2,948	12,136	2,605	2,730	5,335	775	6,110
1978	5,626	4,900	10,526	3,393	13,918	2,925	3,402	6,327	912	7,239
1979	6,184	5,576	11,760	3,830	15,590	3,932	4,516	8,449	1,099	9,548
1980	6,701	6,377	13,077	4,233	17,310	4,527	4,820	9,347	1,106	10,453
1981	8,482	7,440	15,923	4,624	20,547	5,257	5,488	10,745	1,186	11,931

Reference Table 19 (continued)
Private and Public Investment in Canada
1956 – 1981

Years	Capital expenditures				Total	Capital expenditures			Repair expendi- tures	Total
	Construc- tion	Machinery and equipment	Sub- total			Construc- tion	Machinery and equipment	Sub- total		
Institutions					Housing ⁽¹⁾					
(Millions of dollars)										
1956	359	43	402	52	454	1,547	—	1,547	355	1,902
1957	407	47	454	56	510	1,430	—	1,430	383	1,813
1958	457	57	514	57	571	1,782	—	1,782	407	2,189
1959	479	57	536	59	595	1,752	—	1,752	431	2,183
1960	500	73	573	71	644	1,456	—	1,456	457	1,913
1961	536	81	617	78	695	1,467	—	1,467	484	1,951
1962	729	105	834	76	910	1,587	—	1,587	513	2,100
1963	757	116	873	75	948	1,713	—	1,713	544	2,257
1964	648	123	771	79	850	2,028	—	2,028	577	2,605
1965	867	145	1,012	82	1,094	2,133	—	2,133	618	2,751
1966	1,020	184	1,204	93	1,297	2,181	—	2,181	661	2,842
1967	1,107	208	1,315	113	1,428	2,352	—	2,352	713	3,065
1968	1,197	225	1,422	118	1,540	2,806	—	2,806	780	3,586
1969	1,134	209	1,343	133	1,476	3,384	—	3,384	844	4,228
1970	1,095	216	1,311	134	1,445	3,138	—	3,138	871	4,009
1971	1,199	236	1,435	152	1,587	4,025	—	4,025	951	4,976
1972	993	225	1,218	168	1,386	4,820	—	4,820	1,051	5,871
1973	914	228	1,142	175	1,316	5,978	—	5,978	1,188	7,165
1974	1,064	275	1,338	199	1,537	7,010	—	7,010	1,451	8,461
1975	1,191	293	1,484	224	1,708	7,114	—	7,114	1,576	8,690
1976	1,168	317	1,485	256	1,741	10,853	—	10,853	1,817	12,669
1977	1,180	335	1,514	313	1,827	11,065	—	11,065	2,061	13,126
1978	1,181	362	1,542	344	1,886	11,450	—	11,450	2,329	13,780
1979	1,328	363	1,690	369	2,059	11,617	—	11,617	2,649	14,267
1980	1,572	392	1,965	407	2,371	10,950	—	10,950	2,826	13,776
1981	1,731	412	2,143	439	2,582	12,304	—	12,304	3,113	15,417
Government departments					Total					
(Millions of dollars)										
1956	932	80	1,012	282	1,294	5,273	2,761	8,034	2,520	10,554
1957	1,025	85	1,110	288	1,398	5,784	2,933	8,717	2,624	11,341
1958	1,014	104	1,118	314	1,432	5,830	2,534	8,364	2,614	10,978
1959	1,128	108	1,236	341	1,577	5,709	2,708	8,417	2,881	11,298
1960	1,171	103	1,274	383	1,657	5,453	2,809	8,262	2,985	11,247
1961	1,125	122	1,247	380	1,627	5,518	2,654	8,172	3,021	11,193
1962	1,130	128	1,258	388	1,646	5,787	2,928	8,715	3,161	11,876
1963	1,154	128	1,282	393	1,675	6,157	3,236	9,393	3,356	12,749
1964	1,303	157	1,460	402	1,862	7,004	3,940	10,944	3,631	14,575
1965	1,494	174	1,668	442	2,110	8,115	4,750	12,865	3,927	16,792
1966	1,702	222	1,924	526	2,450	9,283	5,807	15,090	4,365	19,455
1967	1,731	215	1,946	573	2,519	9,448	5,874	15,322	4,700	20,022
1968	1,679	230	1,909	604	2,513	9,909	5,546	15,455	5,018	20,473
1969	1,908	205	2,113	583	2,696	10,824	6,103	16,927	5,263	22,190
1970	2,001	200	2,201	592	2,793	11,319	6,479	17,798	5,667	23,465
1971	2,443	271	2,714	620	3,334	13,274	6,910	20,184	6,060	26,244
1972	2,731	317	3,048	615	3,663	14,470	7,748	22,218	6,574	28,792
1973	2,962	410	3,372	708	4,080	16,953	9,666	26,618	7,608	34,226
1974	3,751	551	4,302	819	5,121	20,771	12,111	32,882	9,189	42,072
1975	4,392	633	5,025	892	5,917	24,055	14,162	38,216	10,155	48,371
1976	4,440	607	5,047	960	6,007	28,144	15,492	43,636	11,775	55,411
1977	4,865	648	5,513	1,085	6,598	30,130	16,467	46,598	13,170	59,767
1978	5,129	710	5,839	1,151	6,990	31,912	18,448	50,360	14,696	65,055
1979	5,377	710	6,087	1,300	7,387	35,847	22,508	58,354	16,974	75,328
1980	5,725	773	6,499	1,382	7,881	39,461	25,951	65,412	18,428	83,839
1981	6,273	867	7,140	1,502	8,642	46,126	30,397	76,523	20,187	96,710

Note: 1980 figures are actual, 1981 figures are preliminary actual.

⁽¹⁾ Totals differ from housing expenditures as shown in reference tables 3 to 6, in that the national income and expenditure totals include selling costs, principally real estate commissions.

Source: Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*, occasional, cat. 61-504; Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*, annual, cat. 61-206.

Reference Table 20
Private and Public Investment in Canada
1956 – 1981

Years	Capital expenditures			Repair expendi- tures	Total	Capital expenditures			Repair expendi- tures	Total
	Construc- tion	Machinery and equipment	Sub- total			Construc- tion	Machinery and equipment	Sub- total		
Primary and construction industries					Manufacturing					
(Percentage distribution)										
1956	30.0	43.3	73.3	26.7	100.0	24.7	45.9	70.7	29.3	100.0
1957	31.9	41.1	73.0	27.0	100.0	24.9	45.8	70.7	29.3	100.0
1958	25.8	42.3	68.1	31.9	100.0	23.9	41.8	65.7	34.3	100.0
1959	24.9	42.6	67.5	32.5	100.0	20.7	42.6	63.3	36.7	100.0
1960	27.2	41.2	68.5	31.5	100.0	18.1	45.6	63.7	36.3	100.0
1961	33.2	37.1	70.3	29.7	100.0	15.8	45.6	61.4	38.6	100.0
1962	30.8	40.1	70.9	29.1	100.0	17.5	45.4	62.9	37.1	100.0
1963	29.0	42.6	71.6	28.4	100.0	16.4	46.5	62.9	37.1	100.0
1964	29.1	43.6	72.6	27.4	100.0	16.2	50.9	67.1	32.9	100.0
1965	31.7	41.9	73.6	26.4	100.0	18.2	52.4	70.6	29.4	100.0
1966	33.2	42.0	75.2	24.8	100.0	19.7	53.0	72.7	27.3	100.0
1967	31.9	42.6	74.5	25.5	100.0	18.3	50.3	68.7	31.3	100.0
1968	32.5	40.1	72.6	27.4	100.0	19.1	44.9	64.1	35.9	100.0
1969	34.3	37.7	71.9	28.1	100.0	19.8	46.8	66.6	33.4	100.0
1970	35.0	34.6	69.7	30.3	100.0	21.5	48.0	69.5	30.5	100.0
1971	37.1	34.9	72.0	28.0	100.0	19.5	47.4	66.9	33.1	100.0
1972	33.1	38.7	71.8	28.2	100.0	18.0	46.0	64.0	36.0	100.0
1973	32.3	38.6	70.9	29.1	100.0	17.6	48.0	65.7	34.3	100.0
1974	33.0	38.2	71.3	28.7	100.0	19.6	48.6	68.2	31.8	100.0
1975	32.7	40.0	72.6	27.4	100.0	19.7	49.6	69.3	30.7	100.0
1976	31.6	42.5	74.1	25.9	100.0	17.2	48.2	65.4	34.6	100.0
1977	34.5	39.5	74.0	26.0	100.0	17.8	47.6	65.4	34.6	100.0
1978	35.4	38.7	74.1	25.9	100.0	15.8	47.4	63.2	36.8	100.0
1979	38.8	36.9	75.7	24.3	100.0	14.0	50.5	64.5	35.5	100.0
1980	44.2	34.1	78.3	21.7	100.0	14.6	52.9	67.5	32.5	100.0
1981	46.0	33.7	79.7	20.3	100.0	15.0	54.6	69.6	30.4	100.0
Utilities					Trade, finance and commercial services					
(Percentage distribution)										
1956	45.2	28.1	73.4	26.6	100.0	43.7	37.9	81.6	18.4	100.0
1957	49.4	27.9	77.3	22.7	100.0	45.8	36.7	82.5	17.5	100.0
1958	50.1	26.7	76.8	23.2	100.0	46.5	36.3	82.8	17.2	100.0
1959	43.9	28.4	72.4	27.6	100.0	46.2	37.1	83.2	16.8	100.0
1960	43.2	28.1	71.3	28.7	100.0	44.7	39.2	83.9	16.1	100.0
1961	44.9	25.2	70.1	29.9	100.0	44.7	39.2	83.9	16.1	100.0
1962	42.1	26.5	68.6	31.4	100.0	42.8	41.2	84.0	16.0	100.0
1963	43.7	25.9	69.6	30.4	100.0	42.5	40.9	83.4	16.6	100.0
1964	46.2	25.2	71.5	28.5	100.0	44.3	39.9	84.2	15.8	100.0
1965	43.9	29.8	73.6	26.4	100.0	47.3	37.9	85.2	14.8	100.0
1966	43.0	32.5	75.6	24.4	100.0	48.5	37.6	86.0	14.0	100.0
1967	42.0	33.5	75.5	24.5	100.0	42.3	42.6	84.9	15.1	100.0
1968	41.4	33.7	75.1	24.9	100.0	40.1	43.0	83.1	16.9	100.0
1969	38.9	35.9	74.8	25.2	100.0	36.0	48.7	84.7	15.3	100.0
1970	42.2	32.7	74.9	25.1	100.0	36.8	47.6	84.4	15.6	100.0
1971	42.0	33.2	75.2	24.8	100.0	40.2	45.3	85.5	14.5	100.0
1972	41.7	33.1	74.8	25.2	100.0	40.4	47.7	88.2	11.8	100.0
1973	39.5	36.7	76.1	23.9	100.0	43.6	45.5	89.1	10.9	100.0
1974	38.3	37.4	75.7	24.3	100.0	45.1	44.3	89.5	10.5	100.0
1975	42.9	35.4	78.3	21.7	100.0	47.7	42.2	89.8	10.2	100.0
1976	40.8	35.3	76.1	23.9	100.0	45.4	42.5	87.9	12.1	100.0
1977	41.8	33.9	75.7	24.3	100.0	42.6	44.7	87.3	12.7	100.0
1978	40.4	35.2	75.6	24.4	100.0	40.4	47.0	87.4	12.6	100.0
1979	39.7	35.8	75.4	24.6	100.0	41.2	47.3	88.5	11.5	100.0
1980	38.7	36.8	75.5	24.5	100.0	43.3	46.1	89.4	10.6	100.0
1981	41.3	36.2	77.5	22.5	100.0	44.1	46.0	90.1	9.9	100.0

Reference Table 20 (continued)
Private and Public Investment in Canada
1956 – 1981

Years	Capital expenditures			Repair expendi- tures	Total	Capital expenditures			Repair expendi- tures	Total
	Construc- tion	Machinery and equipment	Sub- total			Construc- tion	Machinery and equipment	Sub- total		
Institutions					Housing ⁽¹⁾					
(Percentage distribution)										
1956	79.1	9.5	88.5	11.5	100.0	81.3	—	81.3	18.7	100.0
1957	79.8	9.2	89.0	11.0	100.0	78.9	—	78.9	21.1	100.0
1958	80.0	10.0	90.0	10.0	100.0	81.4	—	81.4	18.6	100.0
1959	80.5	9.6	90.1	9.9	100.0	80.3	—	80.3	19.7	100.0
1960	77.6	11.3	89.0	11.0	100.0	76.1	—	76.1	23.9	100.0
1961	77.1	11.7	88.8	11.2	100.0	75.2	—	75.2	24.8	100.0
1962	80.1	11.5	91.6	8.4	100.0	75.6	—	75.6	24.4	100.0
1963	79.9	12.2	92.1	7.9	100.0	75.9	—	75.9	24.1	100.0
1964	76.2	14.5	90.7	9.3	100.0	77.9	—	77.9	22.1	100.0
1965	79.3	13.3	92.5	7.5	100.0	77.5	—	77.5	22.5	100.0
1966	78.6	14.2	92.8	7.2	100.0	76.7	—	76.7	23.3	100.0
1967	77.5	14.6	92.1	7.9	100.0	76.7	—	76.7	23.3	100.0
1968	77.7	14.6	92.3	7.7	100.0	78.2	—	78.2	21.8	100.0
1969	76.8	14.2	91.0	9.0	100.0	80	—	80.0	20.0	100.0
1970	75.8	14.9	90.7	9.3	100.0	78.3	—	78.3	21.7	100.0
1971	75.6	14.9	90.4	9.6	100.0	80.9	—	80.9	19.1	100.0
1972	71.6	16.2	87.9	12.1	100.0	82.1	—	82.1	17.9	100.0
1973	69.4	17.3	86.7	13.3	100.0	83.4	—	83.4	16.6	100.0
1974	69.2	17.9	87.1	12.9	100.0	82.9	—	82.9	17.1	100.0
1975	69.7	17.2	86.9	13.1	100.0	81.9	—	81.9	18.1	100.0
1976	67.1	18.2	85.3	14.7	100.0	85.7	—	85.7	14.3	100.0
1977	64.6	18.3	82.9	17.1	100.0	84.3	—	84.3	15.7	100.0
1978	62.6	19.2	81.8	18.2	100.0	83.1	—	83.1	16.9	100.0
1979	64.5	17.6	82.1	17.9	100.0	81.4	—	81.4	18.6	100.0
1980	66.3	16.5	82.9	17.1	100.0	79.5	—	79.5	20.5	100.0
1981	67.1	16.0	83.0	17.0	100.0	79.8	—	79.8	20.2	100.0
Government departments					Total					
(Percentage distribution)										
1956	72.0	6.2	78.2	21.8	100.0	50.0	26.2	76.1	23.9	100.0
1957	73.3	6.1	79.4	20.6	100.0	51.0	25.9	76.9	23.1	100.0
1958	70.8	7.3	78.1	21.9	100.0	53.1	23.1	76.2	23.8	100.0
1959	71.5	6.8	78.4	21.6	100.0	50.5	24.0	74.5	25.5	100.0
1960	70.7	6.2	76.9	23.1	100.0	48.5	25.0	73.5	26.5	100.0
1961	69.1	7.5	76.6	23.4	100.0	49.3	23.7	73.0	27.0	100.0
1962	68.7	7.8	76.4	23.6	100.0	48.7	24.7	73.4	26.6	100.0
1963	68.9	7.6	76.5	23.5	100.0	48.3	25.4	73.7	26.3	100.0
1964	70.0	8.4	78.4	21.6	100.0	48.1	27.0	75.1	24.9	100.0
1965	70.8	8.2	79.1	20.9	100.0	48.3	28.3	76.6	23.4	100.0
1966	69.5	9.1	78.5	21.5	100.0	47.7	29.8	77.6	22.4	100.0
1967	68.7	8.5	77.3	22.7	100.0	47.2	29.3	76.5	23.5	100.0
1968	66.8	9.2	76.0	24.0	100.0	48.4	27.1	75.5	24.5	100.0
1969	70.8	7.6	78.4	21.6	100.0	48.8	27.5	76.3	23.7	100.0
1970	71.6	7.2	78.8	21.2	100.0	48.2	27.6	75.9	24.1	100.0
1971	73.3	8.1	81.4	18.6	100.0	50.6	26.3	76.9	23.1	100.0
1972	74.6	8.7	83.2	16.8	100.0	50.3	26.9	77.2	22.8	100.0
1973	72.6	10.0	82.6	17.4	100.0	49.5	28.2	77.8	22.2	100.0
1974	73.2	10.8	84.0	16.0	100.0	49.4	28.8	78.2	21.8	100.0
1975	74.2	10.7	84.9	15.1	100.0	49.7	29.3	79.0	21.0	100.0
1976	73.9	10.1	84.0	16.0	100.0	50.8	28.0	78.7	21.3	100.0
1977	73.7	9.8	83.6	16.4	100.0	50.4	27.6	78.0	22.0	100.0
1978	73.4	10.2	83.5	16.5	100.0	49.1	28.4	77.4	22.6	100.0
1979	72.8	9.6	82.4	17.6	100.0	47.6	29.9	77.5	22.5	100.0
1980	72.6	9.8	82.5	17.5	100.0	47.1	31.0	78.0	22.0	100.0
1981	72.6	10.0	82.6	17.4	100.0	47.7	31.4	79.1	20.9	100.0

Note: 1980 figures are actual, 1981 figures are preliminary actual.

⁽¹⁾ Totals differ from housing expenditures as shown in reference tables 3 to 6, in that the national income and expenditure totals include selling costs, principally real estate commissions.

Source: Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*.

Reference Table 21
Private and Public Investment by Region
Capital Expenditures
1956 – 1981

Years	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Atlantic region	Quebec
D	836852	836856	836863	836870	836940	836877
(Millions of dollars)						
1956	94	24	183	186	487	1,851
1957	100	22	188	159	469	2,029
1958	107	30	185	182	504	2,054
1959	115	37	226	203	581	2,094
1960	146	37	234	180	597	2,007
1961	184	38	224	171	617	2,008
1962	261	43	223	179	706	2,154
1963	236	43	234	189	702	2,301
1964	231	39	270	257	797	2,828
1965	228	57	318	334	937	3,206
1966	340	57	411	390	1,198	3,441
1967	360	46	463	378	1,246	3,203
1968	387	41	461	330	1,219	3,175
1969	395	44	552	392	1,383	3,376
1970	503	54	607	471	1,635	3,418
1971	678	73	628	497	1,876	4,150
1972	607	72	613	487	1,779	4,824
1973	634	124	825	636	2,219	5,826
1974	698	118	893	976	2,685	7,398
1975	714	118	922	1,159	2,913	9,170
1976	829	111	1,041	1,177	3,159	9,813
1977	712	130	1,040	1,155	3,038	10,702
1978	784	172	1,190	1,310	3,456	10,794
1979	1,035	201	1,323	1,652	4,211	11,854
1980	1,057	183	1,457	1,454	4,151	12,354
1981	1,313	193	1,996	1,589	5,092	13,879
	Ontario	Manitoba	Saskatchewan	Alberta	Prairie region	British Columbia ⁽¹⁾
	836884	836891	836898	836905	836947	
(Millions of dollars)						
1956	2,842	364	485	901	1,750	1,089
1957	3,266	371	455	834	1,660	1,293
1958	3,104	409	477	890	1,776	925
1959	2,900	484	467	947	1,898	944
1960	2,856	487	474	946	1,907	895
1961	2,794	417	454	981	1,852	901
1962	3,054	424	513	937	1,874	927
1963	3,282	491	603	995	2,089	1,019
1964	3,747	528	648	1,100	2,276	1,296
1965	4,379	537	773	1,320	2,630	1,713
1966	5,289	651	921	1,553	3,124	2,037
1967	5,416	714	959	1,667	3,340	2,139
1968	5,579	820	943	1,723	3,486	1,996
1969	6,307	901	755	1,914	3,570	2,291
1970	6,928	871	603	1,957	3,431	2,386
1971	7,460	812	664	2,139	3,615	3,083
1972	8,237	970	824	2,383	4,177	3,201
1973	9,714	1,143	979	2,931	5,053	3,804
1974	11,816	1,379	1,262	3,831	6,472	4,511
1975	12,920	1,521	1,780	5,007	8,308	4,905
1976	13,948	1,812	2,180	7,002	10,995	5,722
1977	14,732	1,897	2,269	7,826	11,992	6,133
1978	15,561	2,018	2,393	9,431	13,842	6,706
1979	17,093	2,041	3,104	11,920	17,064	8,131
1980	18,861	1,981	3,276	14,374	19,631	10,414
1981	21,579	2,109	4,180	17,541	23,829	12,144

Note: 1980 figures are actual, 1981 figures are preliminary actual.

⁽¹⁾ Includes the Yukon and the Northwest Territories.

Source: Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*.

Reference Table 22

Private Investment Capital Expenditures Excluding Housing by Region⁽¹⁾

1961 – 1981

Years	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia ⁽²⁾
(Millions of dollars)						
1961	4,841	337	1,223	1,591	1,158	531
1962	5,036	406	1,238	1,729	1,120	542
1963	5,524	394	1,319	1,838	1,375	598
1964	6,685	466	1,656	2,220	1,504	840
1965	8,052	521	1,909	2,692	1,780	1,148
1966	9,781	702	2,225	3,313	2,145	1,396
1967	9,709	742	1,970	3,257	2,303	1,436
1968	9,318	689	1,853	3,123	2,381	1,271
1969	10,087	841	1,846	3,619	2,323	1,458
1970	11,148	1,052	1,883	4,341	2,300	1,570
1971	12,010	1,185	2,141	4,377	2,282	2,024
1972	13,132	1,056	2,719	4,696	2,744	1,916
1973	16,127	1,262	3,421	5,622	3,466	2,356
1974	20,232	1,492	4,468	7,058	4,453	2,762
1975	24,594	1,597	5,880	8,363	5,775	2,978
1976	26,252	1,653	5,676	8,409	7,298	3,216
1977	28,505	1,681	6,320	8,989	7,905	3,610
1978	31,528	1,928	6,782	9,802	8,934	4,082
1979	38,960	2,538	7,797	11,412	11,770	5,444
1980	45,999	2,571	8,500	13,556	14,398	6,975
1981	54,936	3,198	9,729	15,870	17,921	8,218
(Per cent change)						
1962	4.0	20.4	1.2	8.7	-3.3	2.1
1963	9.7	-2.7	6.5	6.3	22.8	10.2
1964	21.0	18.2	25.5	20.8	9.4	40.5
1965	20.4	11.8	15.3	21.2	18.3	36.7
1966	21.5	34.6	16.5	23.1	20.5	21.6
1967	-0.7	5.8	-11.5	-1.7	7.4	2.9
1968	-4.0	-7.2	-5.9	-4.1	3.4	-11.5
1969	8.3	22.1	-0.4	15.9	-2.4	14.7
1970	10.5	25.1	2.0	20.0	-1.0	7.7
1971	7.7	12.6	13.7	0.8	-0.8	28.9
1972	9.3	-10.9	27.0	7.3	20.2	-5.3
1973	22.8	19.5	25.8	19.7	26.3	22.9
1974	25.5	18.2	30.6	25.5	28.5	17.2
1975	21.6	7.1	31.6	18.5	29.7	7.8
1976	6.7	3.5	-3.5	0.5	26.4	8.0
1977	8.6	1.7	11.3	6.9	8.3	12.3
1978	10.6	14.7	7.3	9.0	13.0	13.1
1979	23.6	31.6	15.0	16.4	31.7	33.4
1980	18.1	1.3	9.0	18.8	22.3	28.1
1981	19.4	24.4	14.5	17.1	24.5	17.8

Note: 1980 figures are actual, 1981 figures are preliminary actual.

⁽¹⁾ Total private and public expenditures minus housing, institutions and government departments.

⁽²⁾ Includes the Yukon and the Northwest Territories.

Source: Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*.

Reference Table 23
Dwelling Starts, Completions and Under Construction
1947 – 1981

Years	Starts			Completions			Under construction ⁽¹⁾	
	Centres of 5,000 population and over ⁽²⁾	Other areas	Total	Centres of 5,000 population and over ⁽²⁾	Other areas	Total	Centres of 5,000 population and over ⁽²⁾	Total
(Number of units)								
1947.....	n.a.	n.a.	74,300	44,600	27,600	72,200	n.a.	42,200
1948.....	57,671	32,523	90,194	48,006	28,091	76,097	39,217	56,456
1949.....	58,370	32,139	90,509	60,262	27,971	88,233	37,344	59,503
1950.....	68,599	23,932	92,531	62,847	26,168	89,015	41,510	60,538
1951.....	47,374	21,205	68,579	61,167	20,143	81,310	26,783	45,926
1952.....	63,443	19,803	83,246	54,346	18,741	73,087	36,998	55,689
1953.....	80,313	22,096	102,409	73,375	23,464	96,839	42,808	59,923
1954.....	89,755	23,772	113,527	80,593	21,372	101,965	51,302	68,641
1955.....	97,386	40,890	138,276	93,942	33,987	127,929	53,677	79,339
1956.....	87,309	40,002	127,311	95,152	40,548	135,700	44,386	68,579
1957.....	84,875	37,465	122,340	80,995	36,288	117,283	49,508	72,573
1958.....	121,695	42,937	164,632	107,839	38,847	146,686	63,080	88,162
1959.....	105,991	35,354	141,345	108,059	37,612	145,671	59,879	81,905
1960.....	76,687	32,171	108,858	90,513	33,244	123,757	44,975	65,773
1961.....	92,741	32,836	125,577	83,148	32,460	115,608	53,195	73,583
1962.....	104,279	25,816	130,095	100,447	26,235	126,682	60,541	76,153
1963.....	120,950	27,674	148,624	101,529	26,662	128,191	79,233	96,613
1964.....	136,206	29,452	165,658	123,902	27,061	150,963	89,950	107,718
1965.....	138,779	27,786	166,565	125,475	27,562	153,037	101,786	119,854
1966.....	108,434	26,040	134,474	135,134	27,058	162,192	71,722	88,621
1967.....	131,858	32,265	164,123	120,163	29,079	149,242	82,616	102,716
1968.....	162,267	34,611	196,878	136,337	34,656	170,993	106,834	126,638
1969.....	169,739	40,676	210,415	159,089	36,737	195,826	114,386	137,357
1970.....	150,999	39,529	190,528	138,576	37,251	175,827	123,901	148,185
1971.....	180,948	52,705	233,653	155,892	45,340	201,232	145,885	177,257
1972.....	206,954	42,960	249,914	192,984	39,243	232,227	163,318	188,630
1973.....	211,543	56,986	268,529	197,513	49,068	246,581	174,852	207,236
1974.....	169,437	52,686	222,123	202,989	54,254	257,243	138,360	168,406
1975.....	181,846	49,610	231,456	170,325	46,639	216,964	146,517	176,599
1976.....	209,762	63,441	273,203	180,765	55,484	236,249	168,282	204,286
1977.....	200,201	45,523	245,724	206,217	45,572	251,789	158,216	185,599
1978.....	178,678	48,989	227,667	198,777	47,756	246,533	135,239	164,702
1979.....	151,717	45,332	197,049	178,604	47,885	226,489	103,414	128,601
1980.....	125,013	33,588	158,601	140,996	35,172	176,168	84,195	105,780
1981.....	142,441	35,532	177,973	137,955	37,041	174,996	85,515	102,829

Note: Data for 1962 to 1965 are based on 1961 Census area definitions, for 1966 to 1971 on 1966 Census area definitions, for 1972 to 1976 on 1971 Census area definitions. Subsequent data are based on 1976 Census area definitions.

⁽¹⁾ At end of period.

⁽²⁾ Data for years after 1967 based on areas of 10,000 population and over.

Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*.

Reference Table 24
Dwelling Starts and Completions, by Type
1949 – 1981

Years	Starts					Completions				
	Single detached	Semi-detached and duplex	Row	Apartments	Total	Single detached	Semi-detached and duplex	Row	Apartments	Total
(Number of units)										
1949	71,425	7,536	0	11,548	90,509	68,966	7,309	485	11,473	88,233
1950	68,675	8,664	631	14,561	92,531	68,685	7,376	145	12,809	89,015
1951	53,002	5,658	54	9,865	68,579	60,366	7,568	585	12,791	81,310
1952	60,696	5,360	299	16,891	83,246	55,967	5,314	99	11,707	73,087
1953	70,782	7,202	553	23,872	102,409	68,916	7,714	372	19,837	96,839
1954	78,574	6,498	1,000	27,455	113,527	71,760	6,098	1,065	23,042	101,965
1955	99,003	10,606	1,909	26,758	138,276	90,553	8,278	1,547	27,551	127,929
1956	90,620	9,441	2,263	24,987	127,311	95,656	11,872	2,137	26,035	135,700
1957	82,955	9,272	2,214	27,899	122,340	81,096	8,464	2,350	25,373	117,283
1958	104,508	10,713	2,457	46,954	164,632	96,830	10,004	2,226	37,626	146,686
1959	92,178	10,468	1,908	36,791	141,345	95,455	10,923	2,308	36,985	145,671
1960	67,171	9,699	2,301	29,687	108,858	78,113	9,911	1,616	34,117	123,757
1961	76,430	11,650	1,864	35,633	125,577	76,171	10,593	2,019	26,825	115,608
1962	74,443	10,975	3,742	40,935	130,095	75,593	11,922	2,451	36,716	126,682
1963	77,158	7,891	3,895	59,680	148,624	71,585	7,150	3,487	45,969	128,191
1964	77,079	8,706	4,755	75,118	165,658	76,225	8,091	3,861	62,786	150,963
1965	75,441	7,924	5,306	77,894	166,565	75,104	8,730	4,097	65,106	153,037
1966	70,642	7,281	5,000	51,551	134,474	73,858	7,707	6,412	74,215	162,192
1967	72,534	9,939	7,392	74,258	164,123	73,631	9,089	5,431	61,091	149,242
1968	75,339	10,114	8,042	103,383	196,878	74,640	10,098	7,896	78,359	170,993
1969	78,404	10,373	10,721	110,917	210,415	78,584	10,483	7,827	98,932	195,826
1970	70,749	10,826	17,055	91,898	190,528	66,615	9,066	11,473	88,673	175,827
1971	98,056	13,751	15,659	106,187	233,653	82,978	12,518	16,795	88,941	201,232
1972	115,570	13,649	16,980	103,715	249,914	106,508	13,184	14,416	98,119	232,227
1973	131,552	13,235	17,291	106,451	268,529	122,696	13,479	14,832	95,574	246,581
1974	122,143	11,023	14,932	74,025	222,123	129,704	12,509	19,225	95,805	257,243
1975	123,929	15,403	21,763	70,361	231,456	113,409	12,303	16,095	75,157	216,964
1976	134,313	15,890	33,676	89,324	273,203	128,623	15,160	21,172	71,294	236,249
1977	108,403	18,373	26,621	92,327	245,724	117,792	17,281	31,561	85,155	251,789
1978	110,029	19,932	20,379	77,327	227,667	106,195	19,155	26,644	94,539	246,533
1979	109,117	16,296	13,249	58,387	197,049	112,105	18,071	18,860	77,453	226,489
1980	87,721	11,149	11,402	48,329	158,601	90,720	13,675	13,398	58,375	176,168
1981	89,071	11,768	15,525	61,609	177,973	98,412	12,831	13,252	50,501	174,996

Note: See Note to Table 23.

Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*; Canada Mortgage and Housing Corporation, *Housing in Canada*.

Reference Table 25
Manufacturers' Inventories, Shipments and Orders
1961 – 1981

Years	Manufacturing					Durable manufacturing			Non-durable manufacturing		
	Ship- ments	New orders received	Unfilled orders	Total inven- tories held	Stock to sales ratio ⁽¹⁾	Ship- ments	New orders received	Unfilled orders	Ship- ments	New orders received	Unfilled orders
D	310000 310030	310060 310083	310106 310129	310152 310175		310022 310052	310082 310105	310128 310151	310021 310051	310081 310104	310127 310150
(Millions of dollars)											
1961	1,953	1,968	1,960	4,529	2.32	769	726	1,526	1,184	1,193	434
1962	2,149	2,158	2,177	4,867	2.26	883	894	1,747	1,267	1,264	430
1963	2,335	2,344	2,199	5,085	2.18	988	995	1,784	1,347	1,350	415
1964	2,571	2,601	2,497	5,436	2.11	1,121	1,151	2,069	1,451	1,450	428
1965	2,824	2,867	2,950	5,952	2.11	1,281	1,318	2,491	1,543	1,549	459
1966	3,109	3,181	3,656	6,475	2.08	1,421	1,489	3,141	1,687	1,692	515
1967	3,246	3,241	4,025	7,408	2.28	1,478	1,475	3,513	1,768	1,766	512
1968	3,505	3,508	3,961	7,446	2.12	1,633	1,628	3,384	1,872	1,880	577
1969	3,828	3,885	4,345	8,064	2.11	1,811	1,865	3,705	2,018	2,020	640
1970	3,865	3,849	4,722	8,611	2.23	1,785	1,767	3,860	2,080	2,082	863
1971	4,189	4,215	4,834	8,643	2.08	1,977	1,997	3,954	2,213	2,218	880
1972	4,687	4,736	5,049	9,197	1.97	2,222	2,265	4,097	2,465	2,471	952
1973	5,563	5,793	6,707	10,420	1.88	2,638	2,848	5,567	2,925	2,945	1,140
1974	6,871	7,125	10,063	13,674	1.99	3,136	3,386	8,699	3,735	3,739	1,363
1975	7,372	7,297	10,818	16,350	2.22	3,346	3,284	9,594	4,025	4,013	1,224
1976	8,190	8,117	10,043	17,420	2.13	3,749	3,667	8,807	4,442	4,450	1,236
1977	9,083	9,212	10,741	18,943	2.09	4,169	4,284	9,381	4,914	4,927	1,360
1978	10,775	11,035	12,760	20,882	1.94	5,012	5,238	11,043	5,763	5,798	1,717
1979	12,706	12,964	16,400	24,750	1.95	5,867	6,106	14,306	6,839	6,858	2,094
1980	13,913	14,006	18,218	29,122	2.09	6,148	6,217	16,002	7,765	7,785	2,216
1981	15,684	15,681	19,237	33,263	2.12	6,805	6,809	16,874	8,879	8,872	2,363

⁽¹⁾ Ratio of total inventories held to shipments.

Source: Statistics Canada, *Inventories, Shipments and Orders in Manufacturing Industries*, monthly, cat. 31-001.

Reference Table 26
Gross Domestic Product in Constant (1971) Dollars by Industry
1971 – 1981

[illegible]

Note: Statistics Canada has replaced the indexes of real domestic product (by industry) by gross domestic product in constant (1971) prices. Since statistical revisions were also included and in some cases new methodologies were introduced, the two series for the historical period are not comparable. The data were published for the period commencing in 1971. The percentage changes are calculated using unrounded data.

Source: Statistics Canada, *Indexes of Real Gross Domestic Product by Industry*, monthly and annual, cat. 61-213.

Reference Table 27
Main Components of the Labour Market⁽¹⁾
1966 – 1981⁽²⁾

Years	Population 15 years and over	Labour force			Employment			Unem- ployment	Total immigration	Immigrants destined to the labour force
		Total	Male	Female	Total	Male	Female			
D	767284 —	767285 767606	767417 767681	767549 767748	767286 767608	767418 767683	767550 767750	767287 767609	55	66
(Thousands of persons)										
1966	13,083	7,493	5,147	2,346	7,242	4,975	2,267	251	195	99
1967	13,444	7,747	5,261	2,485	7,451	5,058	2,393	296	223	120
1968	13,805	7,951	5,354	2,597	7,593	5,110	2,483	358	184	95
1969	14,162	8,194	5,465	2,728	7,832	5,230	2,601	362	162	84
1970	14,528	8,395	5,571	2,824	7,919	5,260	2,660	476	148	78
1971	14,872	8,639	5,667	2,972	8,104	5,329	2,775	535	122	61
1972	15,186	8,897	5,797	3,100	8,345	5,460	2,885	553	122	59
1973	15,526	9,276	5,973	3,303	8,761	5,678	3,083	515	184	92
1974	15,924	9,639	6,163	3,477	9,125	5,870	3,255	514	218	106
1975	16,323	9,974	6,294	3,680	9,284	5,903	3,381	690	188	81
1976	16,706	10,206	6,369	3,837	9,479	5,965	3,515	727	149	61
1977	17,057	10,498	6,505	3,993	9,648	6,031	3,617	850	115	48
1978	17,382	10,882	6,650	4,232	9,972	6,148	3,824	911	86	35
1979	17,691	11,207	6,799	4,408	10,369	6,347	4,022	838	112	48
1980	18,005	11,522	6,909	4,613	10,655	6,430	4,225	867	143	63
1981	18,295	11,830	7,019	4,811	10,933	6,522	4,411	897	128	n.a.
(Percentage change)										
1967	2.8	3.4	2.2	5.9	2.9	1.7	5.6	45	28	20
1968	2.7	2.6	1.8	4.5	1.9	1.0	3.8	62	-39	-24
1969	2.6	3.1	2.1	5.0	3.1	2.3	4.8	4	-22	-11
1970	2.6	2.5	1.9	3.5	1.1	0.6	2.3	114	-14	-7
1971	2.4	2.9	1.7	5.2	2.3	1.3	4.3	59	-26	-16
1972	2.1	3.0	2.3	4.3	3.0	2.5	4.0	18	0	-2
1973	2.2	4.3	3.0	6.5	5.0	4.0	6.9	-38	62	33
1974	2.6	3.9	3.2	5.2	4.2	3.4	5.6	-1	34	14
1975	2.5	3.5	2.1	5.9	1.7	0.6	3.9	175	-31	-25
1976	2.3	2.3	1.2	4.3	2.1	1.0	4.0	37	-38	-20
1977	2.1	2.9	2.1	4.1	1.8	1.1	2.9	124	-35	-14
1978	1.9	3.7	2.2	6.0	3.4	1.9	5.7	60	-29	-12
1979	1.8	3.0	2.2	4.2	4.0	3.2	5.2	-72	26	13
1980	1.8	2.8	1.6	4.7	2.8	1.3	5.0	28	31	15
1981	1.6	2.7	1.6	4.3	2.6	1.4	4.4	31	-15	n.a.

(1) Small differences in totals may arise due to rounding.

(2) Labour Force Survey data were first collected under the revised Labour Force Survey in January, 1975. In January, 1976, the Revised Survey replaced the former Survey. Revised data have been estimated back to 1966. The former Labour Force Survey data (1954-1975) may be found in the 1976 edition of this Review.

Source: Statistics Canada. *The Labour Force, and Historical Labour Force Statistics*, annual, cat. 71-201; Department of Employment and Immigration, *Immigration Statistics. Quarterly Immigration Bulletin*.

Reference Table 28
Participation and Unemployment Rates by Sex and Age Groups
1966 – 1981⁽¹⁾

Participation rates							
Years	Male			Female			Total
	Total	15-24	25+	Total	15-24	25+	
D	767420 767685	767430 767697	767389 767656	767552 767752	767562 767763	767521 767730	767288 767610
(Per cent)							
1966	79.8	64.1	84.9	35.4	48.4	31.2	57.3
1967	79.3	64.1	84.5	36.5	49.1	32.3	57.6
1968	78.6	63.3	84.0	37.1	49.8	32.8	57.6
1969	78.3	62.7	83.8	38.0	50.2	33.8	57.9
1970	77.8	62.4	83.3	38.3	49.4	34.5	57.8
1971	77.3	62.7	82.7	39.4	50.8	35.4	58.1
1972	77.5	64.3	82.3	40.2	51.8	36.2	58.6
1973	78.2	66.7	82.3	41.9	54.2	37.6	59.7
1974	78.7	68.9	82.2	43.0	56.0	38.5	60.5
1975	78.4	68.8	81.9	44.3	56.8	40.0	61.1
1976	77.6	67.9	81.1	45.2	56.8	41.1	61.1
1977	77.6	68.8	80.9	46.0	57.5	42.1	61.5
1978	77.9	69.7	80.9	47.8	58.9	44.0	62.6
1979	78.3	71.4	80.9	48.9	61.0	44.8	63.3
1980	78.3	72.0	80.5	50.2	62.6	46.2	64.0
1981	78.3	72.5	80.3	51.6	63.2	47.9	64.7
Unemployment rates							
	Male			Female			Total
	Total	15-24	25+	Total	15-24	25+	
	767421 767686	767431 767698	767390 767657	767553 767753	767563 767764	767522 767731	767289 767611
(Per cent)							
1966	3.3	6.3	2.6	3.4	4.8	2.7	3.4
1967	3.9	7.2	3.0	3.7	5.5	2.8	3.8
1968	4.6	8.7	3.5	4.4	6.5	3.7	4.4
1969	4.3	8.3	3.2	4.7	6.5	3.7	4.4
1970	5.6	11.2	4.1	5.8	8.5	4.4	5.7
1971	6.0	12.1	4.3	6.6	9.8	5.0	6.2
1972	5.8	11.9	4.1	7.0	9.5	5.7	6.2
1973	4.9	10.1	3.4	6.7	9.2	5.4	5.5
1974	4.8	9.7	3.3	6.4	8.9	5.1	5.3
1975	6.2	12.6	4.3	8.1	11.4	6.5	6.9
1976	6.4	13.3	4.2	8.4	12.0	6.6	7.1
1977	7.3	15.0	4.9	9.4	13.8	7.4	8.1
1978	7.6	15.2	5.2	9.6	13.9	7.7	8.4
1979	6.7	13.4	4.6	8.8	12.7	7.0	7.5
1980	6.9	13.8	4.8	8.4	12.6	6.5	7.5
1981	7.1	14.3	4.9	8.3	12.3	6.7	7.6

⁽¹⁾ See note 2 on reference table 27.

Source: Statistics Canada, *The Labour Force and Historical Labour Force Statistics*.

Reference Table 29
Participation Rates, Canada and by Region
1966 – 1981⁽¹⁾

Years	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia
D	767860 767610		769841 769760	769904 769763		769922 769172
(Labour force as a percentage of population 15 years and over)						
1966	57.3	50.4	56.0	59.8	58.3	56.7
1967	57.6	50.4	56.4	60.2	58.3	57.5
1968	57.6	50.0	55.6	60.3	59.5	57.6
1969	57.9	49.9	55.9	60.5	59.7	58.2
1970	57.8	49.3	55.4	60.5	60.0	58.7
1971	58.1	49.8	56.0	60.9	60.0	58.3
1972	58.6	50.5	55.9	61.7	60.8	58.8
1973	59.7	52.3	57.6	62.4	61.8	59.6
1974	60.5	53.4	58.0	63.4	62.6	60.3
1975	61.1	53.5	58.5	64.1	63.0	61.1
1976	61.1	53.4	58.3	63.9	63.8	61.3
1977	61.5	53.7	58.9	64.3	64.3	61.5
1978	62.6	54.9	59.7	65.5	65.3	62.6
1979	63.3	55.5	60.1	66.6	66.3	62.7
1980	64.0	56.2	61.0	66.8	67.1	63.7
1981	64.7	56.3	61.2	67.7	68.1	64.7

(¹) See note 2 on reference table 27.

Source: Statistics Canada, *The Labour Force*, and *Historical Labour Force Statistics*.

Reference Table 30
Labour Force, Canada and by Region
1966 – 1981⁽¹⁾

Years	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia
D	767870 774020		769838 768475	769901 768645		769919 769230						
	(Thousands of persons)						(Per cent change)					
1966.....	7,493	615	2,113	2,787	1,262	716	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1967.....	7,747	626	2,184	2,891	1,286	759	3.4	1.8	3.4	3.8	1.9	6.0
1968.....	7,951	635	2,205	2,980	1,342	789	2.6	1.5	0.9	3.1	4.3	4.0
1969.....	8,194	647	2,264	3,077	1,376	830	3.1	1.9	2.7	3.3	2.6	5.2
1970.....	8,395	652	2,288	3,177	1,407	871	2.5	0.7	1.1	3.2	2.2	5.0
1971.....	8,639	673	2,347	3,290	1,429	899	2.9	3.3	2.6	3.6	1.6	3.2
1972.....	8,897	696	2,383	3,410	1,471	938	3.0	3.4	1.5	3.6	2.9	4.3
1973.....	9,276	736	2,499	3,532	1,522	987	4.3	5.8	4.9	3.6	3.5	5.2
1974.....	9,639	767	2,570	3,686	1,576	1,040	3.9	4.1	2.8	4.4	3.6	5.4
1975.....	9,974	787	2,647	3,818	1,635	1,087	3.5	2.6	3.0	3.6	3.7	4.5
1976.....	10,206	805	2,689	3,885	1,712	1,116	2.3	2.3	1.6	1.7	4.7	2.6
1977.....	10,498	829	2,756	3,994	1,775	1,144	2.9	2.9	2.5	2.8	3.7	2.5
1978.....	10,882	864	2,827	4,147	1,852	1,192	3.7	4.2	2.6	3.8	4.3	4.2
1979.....	11,207	892	2,878	4,289	1,926	1,223	3.0	3.2	1.8	3.4	4.0	2.6
1980.....	11,522	919	2,959	4,366	2,000	1,278	2.8	3.1	2.8	1.8	3.8	4.5
1981.....	11,830	935	2,996	4,481	2,082	1,337	2.7	1.7	1.3	2.6	4.1	4.7

⁽¹⁾ See note 2 on reference table 27.

Source: Statistics Canada, *The Labour Force*, and *Historical Labour Force Statistics*.

Reference Table 31
Employment, Canada and by Region
1966 – 1981⁽¹⁾

Years	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia
D	767888 774027		769839 768476	769902 768646		769920 769231						
	(Thousands of persons)						(Per cent change)					
1966.....	7,242	583	2,027	2,714	1,233	684	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1967.....	7,451	593	2,085	2,799	1,254	720	2.9	1.5	2.8	3.1	1.7	5.3
1968.....	7,593	598	2,081	2,873	1,299	742	1.9	0.9	-0.2	2.6	3.5	3.1
1969.....	7,832	607	2,126	2,979	1,331	788	3.1	1.5	2.2	3.7	2.5	6.2
1970.....	7,919	612	2,128	3,037	1,337	805	1.1	0.8	0.1	2.0	0.4	2.1
1971.....	8,104	626	2,175	3,113	1,356	834	2.3	2.3	2.2	2.5	1.4	3.7
1972.....	8,344	642	2,205	3,239	1,394	865	3.0	2.5	1.4	4.1	2.8	3.7
1973.....	8,761	679	2,330	3,380	1,451	920	5.0	5.9	5.7	4.4	4.1	6.4
1974.....	9,125	702	2,401	3,523	1,523	976	4.2	3.3	3.0	4.2	5.0	6.0
1975.....	9,284	710	2,434	3,576	1,571	995	1.7	1.1	1.4	1.5	3.1	1.9
1976.....	9,479	718	2,456	3,645	1,641	1,020	2.1	1.1	0.9	1.9	4.5	2.5
1977.....	9,648	725	2,473	3,714	1,690	1,047	1.8	1.0	0.7	1.9	3.0	2.7
1978.....	9,972	756	2,520	3,847	1,756	1,093	3.4	4.3	1.9	3.6	3.9	4.4
1979.....	10,369	786	2,602	4,008	1,843	1,129	4.0	4.1	3.3	4.2	4.9	3.3
1980.....	10,655	817	2,667	4,066	1,914	1,191	2.8	3.8	2.5	1.4	3.9	5.5
1981.....	10,933	826	2,685	4,186	1,988	1,247	2.6	1.2	0.7	2.9	3.9	4.7

⁽¹⁾ See note 2 on reference table 27.

Source: Statistics Canada, *The Labour Force*, and *Historical Labour Force Statistics*.

Reference Table 32
Estimates of Employees by Industry
1961 – 1981

Years	Non-agri- cultural total	Mines, quarries and oil wells	Manu- facturing	Con- struction	Transpor- tation, storage and communi- cations	Trade	Finance, insurance and real estate	Communi- ty business and personal services	Public administra- tion and defence
(Thousands)									
1961	4,710	108	1,310	284	581	758	196	1,068	331
1962	4,914	109	1,371	301	584	791	207	1,129	341
1963	5,088	107	1,420	308	592	821	220	1,199	345
1964	5,331	108	1,486	329	609	854	231	1,280	352
1965	5,611	115	1,554	363	626	898	240	1,370	362
1966	5,904	117	1,637	387	644	944	248	1,467	375
1967	6,082	119	1,641	376	659	965	265	1,575	399
1968	6,212	121	1,638	372	646	1,002	282	1,668	408
1969	6,464	120	1,678	379	661	1,057	299	1,776	420
1970	6,566	129	1,648	366	667	1,081	305	1,850	449
1971	6,744	126	1,640	391	685	1,114	316	1,929	475
1972	7,009	123	1,680	404	699	1,186	343	2,009	501
1973	7,397	127	1,775	428	719	1,262	373	2,104	536
1974	7,769	132	1,838	446	764	1,347	405	2,205	558
1975	7,874	131	1,755	451	764	1,381	423	2,310	593
1976	8,006	136	1,773	455	779	1,401	434	2,358	606
1977	8,224	142	1,775	467	795	1,413	472	2,469	621
1978	8,391	140	1,803	436	803	1,467	488	2,545	633
1979	8,691	151	1,874	466	819	1,515	502	2,656	625
1980	8,877	170	1,851	456	843	1,555	517	2,766	636
1981	9,198	178	1,885	477	851	1,630	534	2,935	628
(Per cent change)									
1962	4.3	1.3	4.6	6.1	0.5	4.4	5.7	5.7	3.0
1963	3.5	-2.0	3.6	2.3	1.4	3.8	6.0	6.1	1.0
1964	4.8	1.1	4.6	6.5	2.8	4.0	5.4	6.8	2.2
1965	5.3	6.3	4.6	10.4	2.8	5.2	3.8	7.0	2.6
1966	5.2	2.2	5.3	6.6	2.9	5.0	3.4	7.1	3.6
1967	3.0	1.4	0.2	-2.9	2.3	2.6	6.7	7.3	6.4
1968	2.1	1.5	-0.2	-1.0	-1.9	3.5	6.5	5.9	2.3
1969	4.0	-0.8	2.4	1.7	2.2	5.5	5.9	6.5	2.9
1970	1.6	7.4	-1.8	-3.3	1.0	2.2	2.1	4.1	7.0
1971	2.0	-1.6	-0.5	6.4	2.6	3.1	3.5	2.5	6.3
1972	3.9	-2.2	2.5	3.6	2.0	6.4	8.4	4.2	5.4
1973	5.5	3.0	5.6	6.0	2.9	6.5	8.9	4.7	7.0
1974	5.0	4.0	3.5	4.2	6.2	6.7	8.6	4.8	4.3
1975	1.3	-0.4	-4.5	1.1	0.0	2.5	4.4	4.8	6.1
1976	1.7	3.8	1.0	1.0	2.0	1.5	2.7	2.1	2.4
1977	2.7	3.8	0.1	2.4	2.0	0.9	8.7	4.7	2.4
1978	2.0	-1.4	1.6	-6.5	1.0	3.8	3.4	3.0	2.0
1979	3.6	8.0	3.9	6.8	2.1	3.3	2.9	4.4	-1.2
1980	2.1	12.8	-1.2	-2.1	2.8	2.6	2.9	4.1	1.7
1981	3.6	4.7	1.8	4.6	1.0	4.8	3.2	6.1	-1.1

Source: Statistics Canada, *Estimates of Employees by Province and Industry*, cat. 72-008.

Reference Table 33
Unemployment, Canada and by Region
1966 – 1981⁽¹⁾

Years	Unemployed						Unemployment rate					
	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia
D	767891 767609		769840 768477	769903 767647		769921 769232	767863 767611		769842 768478	769905 768648		769923 769233
	(Thousands of persons)						(Per cent)					
1966	251	33	86	72	30	33	3.4	5.4	4.1	2.6	2.4	4.6
1967	296	33	100	92	30	39	3.8	5.3	4.6	3.2	2.5	5.1
1968	358	38	124	107	43	47	4.5	6.0	5.6	3.6	3.2	5.9
1969	362	40	137	99	45	42	4.4	6.2	6.1	3.2	3.3	5.0
1970	476	40	160	139	70	67	5.7	6.2	7.0	4.4	4.9	7.7
1971	535	46	171	178	74	65	6.2	7.0	7.3	5.4	5.2	7.2
1972	553	54	178	171	78	73	6.2	7.7	7.5	5.0	5.3	7.8
1973	515	57	169	152	71	66	5.5	7.8	6.8	4.3	4.7	6.7
1974	514	65	169	164	53	64	5.3	8.4	6.6	4.4	3.4	6.2
1975	690	77	214	242	65	92	6.9	9.8	8.1	6.3	3.9	8.5
1976	727	88	233	240	71	96	7.1	10.9	8.7	6.2	4.1	8.6
1977	850	104	284	280	86	97	8.1	12.6	10.3	7.0	4.9	8.5
1978	911	108	307	300	96	98	8.4	12.5	10.9	7.2	5.2	8.3
1979	838	105	277	280	83	94	7.5	11.8	9.6	6.5	4.3	7.7
1980	867	103	292	300	86	87	7.5	11.2	9.9	6.9	4.3	6.8
1981	898	109	311	295	93	90	7.6	11.7	10.4	6.6	4.5	6.7

⁽¹⁾ See note 2 on reference table 27.

Source: Statistics Canada, *The Labour Force*, and *Historical Labour Force Statistics*.

Reference Table 34
Unemployed Persons by Family Status, Canada
1961 – 1981⁽¹⁾

Years	Total unemployed	Members of family units				Non-members of family units	Members of family units					Non-members of family units
		Total	Heads of units	Single son or daughter	Other relatives		Total	Heads of units	Single son or daughter	Other relatives		
D	767287	773576	773577	773579	773580	773581						
(Thousands of persons, annual averages)							(Change)					
Former Labour Force Survey												
1961	497	454	230	168	56	43	—92	—83	—43	—30	—11	—8
1962	405	371	187	138	45	35	—15	—14	—13	—6	6	—1
1963	390	357	174	132	51	34	—42	—38	—26	—9	—4	—4
1964	348	319	148	123	47	30						
1965	298	273	127	105	41	25	—50	—46	—21	—18	—6	—5
1966 ⁽²⁾	251	252	113	101	37	23	n.a.	—21	—14	—4	—4	—2
1967	296	294	134	114	46	27	45	42	21	13	9	4
1968	358	354	155	144	55	36	62	60	21	30	9	9
1969	362	359	146	150	63	32	4	5	—9	6	8	—4
1970	476	444	183	190	72	47	114	85	37	40	9	15
1971	535	516	212	213	91	56	59	72	29	23	19	9
1972	552	509	202	215	93	61	17	—7	—10	2	2	5
1973	515	453	169	190	95	67	—37	—56	—33	—25	3	6
1974	514	462	171	197	93	64	—1	9	2	7	—2	—3
1975	690	624	241	252	131	87	176	162	70	55	38	23
Revised Labour Force Survey												
1975	690	609	194	221	194	80	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1976	727	640	190	240	210	87	37	31	—4	19	16	7
1977	850	752	224	280	248	99	123	112	34	40	38	12
1978	911	800	247	289	264	110	61	48	23	9	16	11
1979	838	743	223	278	242	96	—73	—57	—24	—11	—22	—14
1980	867	764	237	287	239	103	29	21	14	9	—3	7
1981	898	788	241	294	253	109	31	24	4	7	14	6

(1) These data have not been linked back over the years prior to 1975, when the former Labour Force Survey was in effect; as a result, both sets of data are presented here.

(2) Only the total unemployed data for 1966 to 1975 are as revised by Statistics Canada; the other figures for that period therefore do not add exactly to the stated total.

Source: Statistics Canada, *The Labour Force*.

Reference Table 35

Family Units with One or More Unemployed Persons by
the Number of Employed Persons in the Family Unit, Canada
1961 – 1981⁽¹⁾

Years	Units with some unemployed	No persons in unit employed	One or more persons in unit employed				Units with some unemployment	No persons in unit employed	One or more persons in unit employed			
			Total	One employed	Two employed ⁽²⁾	Three or more employed			Total	One employed	Two employed ⁽²⁾	Three or more employed
(Thousands of family units, annual averages)							(Change)					
Former Labour Force Survey												
1961	394	177	217	132	57	28						
1962	331	148	183	112	46	25	-63	-29	-34	-20	-11	-3
1963	315	138	179	108	46	26	-16	-10	-4	0	0	1
1964	284	115	170	99	48	23	-31	-23	-9	-9	2	-3
1965	245	96	149	87	40	22	-39	-19	-21	-12	-8	-1
1966	229	87	142	83	39	19	-16	-9	-7	-4	-1	-3
1967	248	100	168	100	44	24	19	13	26	17	5	5
1968	319	119	200	119	54	28	71	19	32	19	10	4
1969	320	113	207	122	54	31	1	-6	7	3	0	3
1970	396	141	256	157	69	30	76	28	49	35	15	-1
1971	461	165	295	181	77	39	65	24	39	24	8	9
1972	456	159	297	186	76	36	-5	-6	2	5	-1	-3
1973	408	128	281	172	70	39	-48	-31	-16	-14	-6	3
1974	412	135	276	170	70	36	4	7	-5	-2	0	-3
1975	547	185	362	228	92	43	135	50	86	58	22	7
Revised Labour Force Survey												
1975	553	153	399	260	139	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1976	576	153	423	273	150	n.a.	23	0	24	13	11	n.a.
1977	669	176	493	318	175	n.a.	93	23	70	45	25	n.a.
1978	711	187	523	340	183	n.a.	42	11	30	22	8	n.a.
1979	663	172	492	320	172	n.a.	-48	-15	-31	-20	-11	n.a.
1980	682	178	504	321	183	n.a.	19	6	12	1	11	n.a.
1981	703	179	524	337	187	n.a.	21	1	20	16	4	n.a.

(1) See note 1 on reference table 34.

(2) On revised Labour Force Survey this column reads "two or more employed".

Source: Statistics Canada, *The Labour Force*.

Reference Table 36
 Help-Wanted Index, Canada and Regions
 1962 – 1981
 (1969 = 100)

Years	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia
D	730179	730180	730181	730182	730183	730184
1962	62	87	90	44	54	41
1963	65	84	88	51	60	40
1964	78	97	102	65	73	54
1965	97	137	118	86	86	70
1966	107	143	127	96	102	75
1967	93	121	109	79	104	66
1968	81	107	85	77	84	70
1969	100	100	100	100	100	100
1970	82	78	86	83	79	75
1971	86	87	93	80	88	83
1972	115	104	114	117	121	113
1973	148	137	140	149	156	166
1974	199	236	203	170	230	221
1975	163	211	200	115	196	152
1976	157	136	195	106	212	148
1977	152	151	189	104	197	146
1978	165	139	206	113	227	146
1979	188	135	176	156	309	189
1980	203	145	181	158	345	249
1981	224	133	158	180	402	350
(Per cent change)						
1963	4.8	-3.4	-2.2	15.9	11.1	-2.4
1964	20.0	15.5	15.9	27.5	21.7	35.0
1965	24.4	41.2	15.7	32.3	17.8	29.6
1966	10.3	4.4	7.6	11.6	18.6	7.1
1967	-13.1	-15.4	-14.2	-17.7	2.0	-12.0
1968	-12.9	-11.6	-22.0	-2.5	-19.2	6.1
1969	23.5	-6.5	17.6	29.9	19.0	42.9
1970	-18.0	-22.0	-14.0	-17.0	-21.0	-25.0
1971	4.9	11.5	8.1	-3.6	11.4	10.7
1972	33.7	19.5	22.6	46.3	37.5	36.1
1973	28.7	31.7	22.8	27.4	28.9	46.9
1974	34.5	72.3	45.0	14.1	47.4	33.1
1975	-18.1	-10.6	-1.5	-32.4	-14.8	-31.2
1976	-3.7	-35.5	-2.5	-7.8	8.2	-2.6
1977	-3.2	11.0	-3.1	-1.9	-7.1	-1.4
1978	8.6	-7.9	9.0	8.7	15.2	0.0
1979	13.9	-2.9	-14.6	38.1	36.1	29.5
1980	8.0	7.4	2.8	1.3	11.7	31.7
1981	10.3	-8.3	-12.7	13.9	16.5	40.6

Source: Statistics Canada, *Canadian Statistical Review*, cat. 11-003.

Reference Table 37
Index of Productivity and Costs:
Commercial Non-Agricultural Industries
1961 – 1980
(1971 = 100)

Years	Output	Persons employed	Total man-hours	Labour compensation	Output per person employed	Output per man-hour	Labour compensation per person employed	Labour compensation per unit of output
D	142855	240203	240263	240557	240323	240353	240587	240647
1961	56.5	75.1	79.7	43.1	75.2	70.9	57.3	76.2
1962	60.2	77.7	82.7	45.7	77.5	72.8	58.8	75.8
1963	63.4	79.9	84.6	48.4	79.4	74.9	60.6	76.4
1964	68.7	83.4	88.3	52.5	82.2	77.7	63.0	76.5
1965	74.1	88.1	92.9	58.4	84.1	79.8	66.3	78.8
1966	79.0	92.3	96.2	65.6	85.6	82.1	71.1	83.0
1967	82.2	93.9	97.4	71.7	87.5	84.4	76.3	87.2
1968	86.8	94.3	96.8	76.5	92.1	89.7	81.1	88.1
1969	92.3	97.7	99.4	85.0	94.4	92.9	86.9	92.1
1970	94.3	98.1	98.9	91.3	96.1	95.4	93.0	96.8
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	107.4	104.1	103.7	111.5	103.1	103.5	107.1	103.8
1973	116.8	110.6	109.5	129.6	106.2	106.7	117.8	111.0
1974	123.0	115.8	114.5	154.8	106.2	107.5	133.7	125.8
1975	123.0	117.0	114.6	178.4	105.1	107.3	152.5	145.1
1976	129.7	119.1	116.1	204.3	109.0	111.7	171.6	157.5
1977	133.8	122.1	117.5	223.5	109.6	113.9	183.1	167.1
1978	139.0	125.6	121.5	242.7	110.6	114.4	193.2	174.6
1979	145.6	131.2	126.2	272.9	111.0	115.4	208.0	187.4
1980	145.8	133.5	128.2	303.1	109.2	113.7	227.1	207.9
(Per cent change)								
1962	6.5	3.5	3.8	6.0	3.1	2.7	2.6	-0.5
1963	5.3	2.8	2.3	6.1	2.5	2.9	3.1	0.8
1964	8.2	4.4	4.4	8.5	3.5	3.7	4.0	0.1
1965	8.0	5.6	5.2	11.2	2.3	2.7	5.2	3.0
1966	6.6	4.8	3.6	12.3	1.8	2.9	7.2	5.4
1967	4.1	1.7	1.2	9.1	2.2	2.8	7.3	4.9
1968	5.6	0.4	-0.6	6.8	5.3	6.3	6.3	1.1
1969	6.3	3.6	2.7	11.1	2.5	3.6	7.2	4.5
1970	2.2	0.4	-0.5	7.4	1.8	2.7	7.0	5.1
1971	6.0	1.9	1.1	9.5	4.1	4.8	7.5	3.3
1972	7.4	4.1	3.7	11.5	3.1	3.5	7.1	3.8
1973	8.8	5.7	5.6	16.2	3.0	3.1	10.0	6.9
1974	5.3	5.3	4.6	19.4	0.0	0.7	13.5	13.3
1975	0.0	1.0	0.2	15.2	-1.0	-0.2	14.0	15.3
1976	5.4	1.8	1.3	14.5	3.7	4.1	12.5	8.6
1977	3.2	2.5	1.2	9.4	0.6	2.0	6.7	6.1
1978	3.9	2.9	3.4	8.6	0.9	0.4	5.5	4.5
1979	4.7	4.5	3.8	12.4	-0.4	0.9	7.7	7.3
1980	0.1	1.8	1.6	11.1	-1.6	-1.5	9.2	1.0

Source: Statistics Canada, *Aggregate Productivity Measures*, annual, cat. 14-201. Data for Output prior to 1971 is based on Statistics Canada, *Index of Real Domestic Product by Industry*, annual, cat. 61-005.

Reference Table 38
Index of Productivity and Costs:
Commercial Non-Agricultural Goods-Producing Industries
1961 – 1980
(1971 = 100)

Years	Output	Persons employed	Total man-hours	Labour compensation	Output per person employed	Output per man-hour	Labour compensation per person employed	Labour compensation per unit of output
D		240204	240264	240558	240324	240354	240588	240648
1961	55.6	82.7	84.7	44.7	67.2	65.6	54.0	80.4
1962	60.0	85.3	88.3	47.6	70.4	67.9	55.9	79.4
1963	63.3	87.2	90.1	50.3	72.6	70.3	57.7	79.5
1964	69.1	91.3	94.7	54.9	75.7	73.0	60.2	79.5
1965	75.2	96.3	100.0	61.5	78.1	75.2	63.9	81.7
1966	80.8	100.7	104.1	69.5	80.2	77.6	69.1	86.1
1967	83.2	100.3	102.7	74.6	83.0	81.0	74.4	89.7
1968	88.2	99.7	101.8	79.0	88.5	86.6	79.3	89.5
1969	93.7	101.4	102.6	86.6	92.4	91.3	85.4	92.4
1970	94.7	99.3	100.2	91.5	95.4	94.5	92.2	96.6
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	106.7	102.5	102.6	109.8	104.0	104.0	107.1	103.0
1973	116.4	108.0	107.9	129.2	107.8	107.9	119.6	110.9
1974	120.1	111.0	110.3	154.0	108.2	108.8	138.7	128.2
1975	115.1	109.2	107.5	174.2	105.4	107.0	159.5	151.4
1976	121.2	110.5	108.7	198.4	109.7	111.5	179.5	163.6
1977	123.4	110.0	107.6	216.5	112.2	114.7	196.8	175.4
1978	126.6	111.3	109.3	231.6	113.7	115.8	208.1	183.0
1979	132.3	116.3	113.8	259.0	113.7	116.2	222.6	195.7
1980	129.6	115.5	113.0	283.2	112.3	114.7	245.3	218.5
(Per cent change)								
1962	7.9	3.1	4.3	6.5	4.8	3.3	3.5	-1.2
1963	5.5	2.2	2.0	5.7	3.1	3.5	3.2	0.1
1964	9.2	4.7	5.1	9.1	4.3	3.8	4.3	0.0
1965	8.8	5.5	5.6	12.0	3.2	3.0	6.1	2.8
1966	7.4	4.6	4.1	13.0	2.7	3.2	8.1	5.4
1967	3.0	-0.4	-1.3	7.3	3.5	4.4	7.7	4.2
1968	6.0	-0.6	-0.9	5.9	6.6	6.9	6.6	-0.2
1969	6.2	1.7	0.8	9.6	4.4	5.4	7.7	3.2
1970	1.1	-2.1	-2.3	5.7	3.2	3.5	8.0	4.5
1971	5.6	0.7	-0.2	9.3	4.8	5.8	8.5	3.5
1972	6.7	2.5	2.6	9.8	4.0	4.0	7.1	3.0
1973	9.1	5.4	5.2	17.7	3.7	3.7	11.7	7.7
1974	3.2	2.8	2.2	19.2	0.4	0.8	16.0	15.6
1975	-4.2	-1.6	-2.5	13.1	-2.6	-1.7	15.0	18.1
1976	5.3	1.2	1.1	13.9	4.1	4.2	12.5	8.1
1977	1.8	-0.5	-1.0	9.1	2.3	2.9	9.6	7.2
1978	2.6	1.2	1.6	7.0	1.3	1.0	5.7	4.3
1979	4.5	4.5	4.2	11.8	0.0	0.3	7.0	7.0
1980	-2.0	-0.8	-0.7	9.3	-1.2	-1.3	10.2	11.6

Source: Statistics Canada, *Aggregate Productivity Measures*.

Reference Table 39
Index of Productivity and Costs:
Commercial Services-Producing Industries
1961 – 1980
(1971 = 100)

Years	Output	Persons employed	Total man-hours	Labour compensation	Output per person employed	Output per man-hour	Labour compensation per person employed	Labour compensation per unit of output
D		240202	240262	240556	240322	240352	240586	240646
1961	57.5	69.2	75.7	41.5	83.1	76.0	59.9	72.2
1962	60.5	71.7	78.2	43.7	84.3	77.3	61.0	72.3
1963	63.5	74.2	80.3	46.6	85.6	79.1	62.8	73.4
1964	68.2	77.3	83.2	50.2	88.2	82.0	64.9	73.6
1965	73.1	81.8	87.3	55.4	89.4	83.7	67.8	75.8
1966	77.3	85.8	90.0	61.8	90.0	85.9	72.0	79.9
1967	81.4	89.0	93.2	68.7	91.4	87.3	77.2	84.4
1968	85.5	90.1	92.8	74.0	94.9	92.1	82.2	86.6
1969	91.0	94.9	96.8	83.4	95.9	94.0	87.8	91.6
1970	94.0	97.2	97.8	91.0	96.7	96.1	93.7	96.8
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	108.0	105.3	104.7	113.1	102.5	103.2	107.3	104.7
1973	117.1	111.6	110.8	130.0	105.0	105.7	116.5	111.0
1974	125.7	119.5	117.7	155.7	105.2	106.8	130.2	123.9
1975	130.1	123.1	120.3	182.5	105.7	108.2	148.3	140.3
1976	137.3	125.7	122.0	210.0	109.2	112.6	167.1	153.0
1977	143.1	131.5	125.4	230.4	108.7	114.1	175.1	161.1
1978	150.1	136.8	131.4	253.5	109.7	114.2	185.3	168.9
1979	157.5	142.8	136.1	286.5	110.3	115.8	200.6	181.9
1980	160.3	147.6	140.5	322.7	108.6	114.1	218.7	201.4
(Per cent change)								
1962	5.2	3.6	3.3	5.3	1.4	1.7	1.8	0.1
1963	5.0	3.5	2.7	6.6	1.5	2.3	3.0	1.4
1964	7.4	4.2	3.6	7.7	3.0	3.7	3.3	0.4
1965	7.2	5.8	4.9	10.4	1.4	2.1	4.5	3.0
1966	5.7	4.9	3.1	11.6	0.7	2.6	6.2	5.4
1967	5.3	3.7	3.6	11.2	1.6	1.6	7.2	5.6
1968	5.0	1.2	-0.4	7.7	3.8	5.5	6.5	2.6
1969	6.4	5.3	4.3	12.7	1.1	2.1	6.8	5.8
1970	3.3	2.4	1.0	9.1	0.8	2.2	6.7	5.7
1971	6.4	2.9	2.2	9.9	3.4	4.1	6.7	3.3
1972	8.0	5.3	4.7	13.1	2.5	3.2	7.3	4.7
1973	8.4	6.0	5.8	14.9	2.4	2.4	8.6	6.0
1974	7.3	7.1	6.2	19.8	-0.2	1.0	11.8	11.6
1975	3.5	2.9	2.2	17.2	0.5	1.3	13.9	13.2
1976	5.5	2.1	1.4	15.1	3.3	4.1	12.7	9.1
1977	4.2	4.6	2.8	9.7	-0.5	1.3	4.8	5.3
1978	4.9	4.0	4.8	10.0	1.0	0.1	5.8	4.8
1979	4.9	4.4	3.6	13.0	0.5	1.4	8.3	7.7
1980	1.8	3.4	3.2	12.7	-1.5	-1.5	9.0	10.7

Source: Statistics Canada, *Aggregate Productivity Measures*.

Reference Table 40
Index of Productivity and Costs:
Manufacturing Industries
1961 – 1980
(1971 = 100)

Years	Output	Persons employed	Total man-hours	Labour compensation	Output per person employed	Output per man-hour	Labour compensation per person employed	Labour compensation per unit of output
D	142707	240186	240246	240546	240306	240336	240576	240636
1961	54.4	83.6	84.4	46.9	65.1	64.4	56.1	86.1
1962	59.4	85.8	87.6	50.1	69.2	67.8	58.3	84.3
1963	63.4	88.0	90.1	53.3	72.1	70.4	60.6	84.1
1964	69.5	92.0	94.6	58.1	75.6	73.5	63.2	83.6
1965	75.8	96.7	99.4	64.1	78.4	76.2	66.3	84.6
1966	81.5	101.3	103.4	71.9	80.5	78.9	71.0	88.2
1967	83.9	101.7	103.1	77.2	82.5	81.4	75.9	92.0
1968	89.1	101.0	102.5	82.4	88.3	86.9	81.6	92.4
1969	95.8	102.9	104.1	89.9	93.1	92.0	87.3	93.8
1970	94.5	100.6	101.2	94.0	94.0	93.4	93.5	99.5
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	107.7	103.1	103.2	110.6	104.5	104.4	107.2	102.6
1973	119.1	107.8	107.2	126.7	110.4	111.0	117.5	106.4
1974	123.4	110.0	108.7	148.7	112.2	113.5	135.2	120.5
1975	116.2	107.5	105.1	164.0	108.0	110.6	152.6	141.2
1976	123.1	108.0	105.6	188.4	114.0	116.5	174.5	153.1
1977	125.5	105.8	103.6	205.0	118.6	121.2	193.7	163.3
1978	131.9	109.2	107.1	226.2	120.8	123.1	207.2	171.5
1979	138.1	113.2	110.2	256.5	122.0	125.2	226.6	185.8
1980	133.7	111.9	108.9	279.2	119.5	122.8	249.6	208.8
(Per cent change)								
1962	9.2	2.6	3.8	6.8	6.3	5.3	3.9	-2.1
1963	6.7	2.6	2.9	6.4	4.2	3.8	3.9	-0.2
1964	9.6	4.5	5.0	9.0	4.9	4.4	4.3	-0.6
1965	9.1	5.1	5.1	10.3	3.7	3.7	4.9	1.2
1966	7.5	4.8	4.0	12.2	2.7	3.5	7.1	4.3
1967	2.9	0.4	-0.3	7.4	2.5	3.2	6.9	4.3
1968	6.2	-0.7	-0.6	6.7	7.0	6.8	7.5	0.4
1969	7.5	1.9	1.6	9.1	5.4	5.9	7.0	1.5
1970	-1.4	-2.2	-2.8	4.6	1.0	1.5	7.1	6.1
1971	5.8	-0.6	-1.2	6.4	6.4	7.1	6.9	0.5
1972	7.7	3.1	3.2	10.6	4.5	4.4	7.2	2.6
1973	10.6	4.6	3.9	14.6	5.6	6.3	9.6	3.7
1974	3.6	2.0	1.4	17.4	1.6	2.3	15.1	13.3
1975	-5.8	-2.3	-3.3	10.3	-3.7	-2.6	12.9	17.2
1976	5.9	0.5	0.5	14.9	5.6	5.3	14.4	8.4
1977	1.9	-2.0	-1.9	8.8	4.0	4.0	11.0	6.7
1978	5.1	3.2	3.4	10.3	1.9	1.6	6.9	5.0
1979	4.7	3.7	3.0	13.4	1.0	1.7	9.4	8.3
1980	-3.2	-1.1	-1.2	8.8	-2.0	-1.9	10.2	12.4

Source: Statistics Canada, *Aggregate Productivity Measures*.

Reference Table 4.1
Average Weekly Wages and Salaries by Industrial Division
1961 – 1981

Years	Primary ⁽¹⁾ indus- tries	Manu- factur- ing	Con- struc- tion	Transpor- tation, communi- cation and other utilities	Trade ⁽²⁾	Finance, insurance and real estate	Service	Indus- trial com- posite
D	1442	1445	1446			1449	1450	1439
(Dollars)								
1961	92.85	81.54	86.93	82.48	66.24	72.81	57.84	78.24
1962	95.82	83.99	89.36	86.44	68.09	75.34	59.27	80.54
1963	99.44	86.89	93.59	90.10	70.36	77.62	60.39	83.28
1964	103.47	90.41	98.48	93.68	72.82	81.85	62.38	86.50
1965	108.94	94.78	106.68	99.09	75.45	88.29	65.76	91.01
1966	116.89	100.13	119.56	103.65	78.87	93.00	70.18	96.30
1967	126.62	106.53	130.47	113.13	83.51	99.00	75.35	102.79
1968	136.58	114.40	137.25	122.66	89.58	106.17	79.35	109.92
1969	146.13	122.94	149.85	132.54	96.86	113.81	84.17	117.83
1970	159.98	132.84	166.40	142.26	103.81	120.52	90.64	126.78
1971	173.11	143.99	188.27	154.14	112.33	129.59	98.56	137.64
1972	187.16	156.10	209.93	168.03	122.44	140.79	107.32	149.22
1973	208.83	167.48	225.45	181.89	131.55	154.44	114.53	160.45
1974	235.49	185.62	250.30	204.39	145.36	172.25	126.11	178.08
1975	274.88	213.43	290.95	233.98	165.34	193.12	143.68	203.34
1976	311.77	241.19	331.02	262.02	183.67	213.71	160.49	228.03
1977	341.76	266.04	369.88	291.15	199.20	229.57	171.28	249.95
1978	367.41	285.68	389.64	313.28	211.21	248.43	180.00	265.37
1979	409.91	311.19	422.28	341.45	229.34	272.10	193.20	288.25
1980	457.13	342.19	461.51	381.17	250.83	304.37	211.17	317.38
1981	519.39	383.46	521.64	428.00	276.50	353.42	235.00	355.77
(Per cent change)								
1962	3.2	3.0	2.8	4.8	2.8	3.5	2.5	2.9
1963	3.8	3.5	4.7	4.2	3.3	3.0	1.9	3.4
1964	4.1	4.0	5.2	4.0	3.5	5.5	3.3	3.9
1965	5.3	4.8	8.3	5.8	3.6	7.9	5.4	5.2
1966	7.3	5.6	12.1	4.6	4.5	5.3	6.7	5.8
1967	8.3	6.4	9.1	9.1	5.9	6.4	7.4	6.7
1968	7.9	7.4	5.2	8.4	7.3	7.2	5.3	6.9
1969	7.0	7.5	9.2	8.1	8.1	7.2	6.1	7.2
1970	9.5	8.1	11.0	7.3	7.2	5.9	7.7	7.6
1971	8.2	8.4	13.1	8.4	8.2	7.5	8.7	8.6
1972	8.1	8.4	11.5	9.0	9.0	8.6	8.9	8.4
1973	11.6	7.3	7.4	8.3	7.5	9.7	6.7	7.5
1974	12.8	10.8	11.0	12.4	10.5	11.5	10.1	11.0
1975	16.7	15.0	16.2	14.5	13.7	12.1	13.9	14.2
1976	13.4	13.0	13.8	12.0	11.1	10.7	11.7	12.1
1977	9.6	10.3	11.7	11.1	8.5	7.4	6.7	9.6
1978	7.5	7.4	5.3	7.6	6.0	8.2	5.1	6.2
1979	11.3	8.9	8.4	9.0	8.6	9.5	7.3	8.6
1980	11.8	10.0	9.3	11.6	9.4	11.9	9.3	10.1
1981	13.6	12.2	13.0	12.3	10.2	16.1	11.3	12.1

(1) Forestry and mining (including milling). Estimated by the Department of Finance.

(2) Estimated by the Department of Finance.

Source: Statistics Canada, *Employment, Earnings and Hours*.

Reference Table 42

Annual Average Wage Changes Provided by Major Collective Agreements (without COLA)⁽¹⁾ (Percentage changes on a life-of-contract basis)

1967 – 1981

Years	Primary industries	Manufacturing	Transportation and communication	Trade finance, insurance, etc.	Non-commercial	Public administration	Total commercial	Total non commercial	All industries
1967	8.1	7.7	7.4	9.1	9.2	12.0	7.7	11.0	8.3
1968	9.3	7.9	7.3	9.9	9.7	7.5	7.8	7.9	7.9
1969	8.9	8.4	7.5	9.6	6.9	7.5	8.2	7.2	7.7
1970	8.3	8.6	8.8	9.3	9.0	8.0	8.7	8.4	8.6
1971	9.4	7.8	7.4	11.3	8.5	7.4	7.9	7.8	7.8
1972	9.8	9.6	8.3	11.3	7.8	7.8	9.6	7.8	8.8
1973	13.3	11.5	11.8	12.1	10.0	9.8	11.9	9.9	10.9
1974	20.0	16.1	13.6	20.1	21.5	12.6	15.2	14.4	14.7
1975	24.5	16.4	17.6	18.3	21.6	18.5	17.6	19.9	19.2
1976	9.2	10.5	11.7	10.0	11.0	11.1	10.7	11.1	10.9
1977	6.7	7.8	7.9	8.4	6.9	8.6	7.9	7.9	7.9
1978	6.3	7.7	7.1	9.9	6.5	6.8	7.6	6.7	7.1
1979	8.5	9.9	8.9	10.2	8.1	8.4	9.4	8.2	8.7
1980	12.9	12.1	10.9	11.3	11.0	10.8	11.5	10.9	11.1
1981	15.3	12.7	14.1	14.0	13.7	12.7	13.9	13.2	13.4

(1) Agreements covering 500 or more employees (excluding construction). Percentage increases refer to base wage rates, the lowest paid classification used for qualified workers in the bargaining unit.

Source: Labour Canada, *Wage Developments Resulting from Major Collective Bargaining Settlements*, annual and quarterly.

Reference Table 43

Gross National Expenditure Implicit Price Indexes⁽¹⁾

1947 – 1981

(1971 = 100)

Years	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Exports of goods and services	Imports of goods and services	Terms of Trade	Gross national expenditure
			Total	Government	Business	Housing				
D	40626	40631	40632	40633		40637	40640	40642		40625
1947.....	50.5	28.3	44.2	48.5	43.6	41.9	59.3	56.2	105.5	45.7
1948.....	57.3	32.3	50.1	54.4	49.0	49.1	63.6	62.8	101.3	51.3
1949.....	59.4	34.6	52.5	56.6	51.5	51.2	66.8	64.9	102.9	53.5
1950.....	61.2	35.9	54.8	58.9	53.8	53.8	69.8	69.4	100.7	54.8
1951.....	67.4	40.2	62.6	69.9	60.8	62.0	77.6	76.7	101.2	61.0
1952.....	69.0	42.0	64.6	71.5	63.0	63.1	76.7	71.3	107.4	63.7
1953.....	68.8	43.0	64.7	67.3	63.9	63.7	74.9	71.2	105.1	63.6
1954.....	69.5	44.7	64.5	67.4	63.8	63.1	74.3	71.4	104.0	64.6
1955.....	69.5	46.2	66.4	72.5	65.2	64.3	77.3	72.6	106.4	65.0
1956.....	70.6	49.4	69.9	80.3	68.8	65.3	79.4	75.0	105.8	67.4
1957.....	72.8	51.9	70.9	75.8	70.3	67.2	79.0	76.9	102.7	68.8
1958.....	74.7	53.5	70.4	71.9	71.0	67.0	78.7	78.0	100.8	69.8
1959.....	75.6	55.3	70.9	72.2	72.0	66.9	79.8	77.5	103.0	71.2
1960.....	76.3	57.3	71.9	72.8	72.7	68.2	80.3	78.2	102.8	72.1
1961.....	76.8	59.1	71.4	70.4	72.7	68.8	81.3	80.3	101.2	72.4
1962.....	77.8	60.6	72.4	71.4	74.1	68.6	84.5	84.0	100.6	73.4
1963.....	79.0	63.1	74.4	74.0	76.1	70.1	85.3	85.9	99.3	74.8
1964.....	80.0	65.2	77.0	76.3	78.8	73.0	87.1	86.6	100.5	76.6
1965.....	81.6	68.2	81.1	81.3	82.3	77.2	88.7	87.3	101.6	79.1
1966.....	84.3	72.8	85.3	85.9	85.9	82.2	91.1	89.2	102.2	82.6
1967.....	87.2	77.8	87.1	86.8	87.2	87.0	93.0	90.7	102.6	85.9
1968.....	90.8	82.2	87.7	87.0	87.8	87.9	94.3	93.0	101.4	88.7
1969.....	94.3	89.0	91.4	91.2	91.2	92.1	96.4	95.6	100.8	92.6
1970.....	97.7	94.2	95.3	95.3	95.6	94.1	99.7	98.2	101.6	96.9
1971.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972.....	104.0	107.2	105.0	105.2	104.0	107.1	103.9	103.1	100.8	105.0
1973.....	111.6	116.4	114.0	114.8	110.2	123.8	117.4	111.2	105.6	114.6
1974.....	124.2	135.1	133.4	138.0	126.7	147.9	152.2	134.3	113.3	132.1
1975.....	137.3	156.0	150.2	153.2	143.8	167.8	168.6	153.6	109.8	146.3
1976.....	147.4	176.7	163.9	163.7	154.7	187.7	173.9	155.4	111.9	160.2
1977.....	158.3	193.7	177.4	176.0	166.6	208.2	187.4	174.3	107.4	171.5
1978.....	170.0	209.5	191.8	188.9	180.2	227.9	203.6	197.9	103.0	182.4
1979.....	185.6	227.2	210.9	207.3	199.0	255.5	242.7	227.0	106.8	201.3
1980.....	205.2	254.4	229.7	225.6	218.6	281.0	281.3	262.4	107.1	222.7
1981.....	227.9	285.0	255.6	252.3	241.6	322.1	304.2	291.8	104.2	245.0

Reference Table 43 (continued)
Gross National Expenditure Implicit Price Indexes⁽¹⁾
1947 – 1981

Years	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Exports of goods and services	Imports of goods and services	Terms of Trade	Gross national expenditure
			Total	Government	Business	Housing				
(Per cent change)										
1947	9.1	7.7	10.5	9.7	9.9	12.8	- 11.0	12.0	0.0	8.8
1948	13.5	14.1	13.3	12.3	12.4	17.1	7.2	11.8	-4.0	12.3
1949	3.6	7.1	4.8	3.9	5.1	4.3	5.0	3.3	1.6	4.3
1950	3.1	3.9	4.5	4.2	4.4	4.9	4.6	7.0	-2.2	2.3
1951	10.2	11.8	14.1	18.7	12.9	15.3	11.1	10.4	0.5	11.5
1952	2.3	4.5	3.2	2.2	3.7	1.9	- 1.1	-7.0	6.2	4.3
1953	0.2	2.5	0.2	-5.8	1.4	0.9	-2.4	-0.1	-2.1	-0.1
1954	0.9	4.0	-0.3	0.1	0.0	-0.8	-0.8	0.3	-1.1	1.6
1955	0.0	3.3	2.9	7.6	2.2	1.9	4.0	1.7	2.3	0.6
1956	1.6	7.0	5.3	10.8	5.5	1.6	2.7	3.3	-0.6	3.6
1957	3.1	5.1	1.4	-5.6	2.2	2.8	-0.5	2.5	-2.9	2.1
1958	2.6	3.0	-0.7	-5.1	0.9	-0.3	-0.4	1.4	-1.8	1.4
1959	1.1	3.4	0.8	0.3	1.5	-0.1	1.5	-0.6	2.1	2.1
1960	0.9	3.6	1.3	0.9	0.9	2.0	0.6	0.9	-0.2	1.2
1961	0.7	3.2	-0.6	-3.3	0.1	0.8	1.2	2.7	-1.5	0.5
1962	1.3	2.4	1.3	1.5	1.9	-0.3	3.9	4.6	-0.6	1.4
1963	1.5	4.1	2.8	3.6	2.7	2.3	0.9	2.3	-1.3	1.9
1964	1.3	3.5	3.5	3.1	3.5	4.1	2.1	0.8	1.2	2.5
1965	1.9	4.5	5.2	6.5	4.5	5.8	1.8	0.7	1.1	3.2
1966	3.3	6.7	5.2	5.7	4.3	6.5	2.7	2.2	0.5	4.4
1967	3.4	6.8	2.2	1.0	1.6	5.8	2.0	1.7	0.4	3.9
1968	4.2	5.7	0.7	0.2	0.7	1.0	1.4	2.6	-1.1	3.3
1969	3.9	8.3	4.2	4.9	3.8	4.8	2.2	2.8	-0.6	4.4
1970	3.6	5.8	4.2	4.5	4.8	2.2	3.5	2.7	0.8	4.7
1971	2.4	6.2	4.9	4.9	4.6	6.3	0.3	1.8	-1.5	3.2
1972	4.0	7.2	5.0	5.2	4.0	7.1	3.9	3.1	0.7	5.0
1973	7.3	8.6	8.6	9.1	5.9	15.6	13.0	7.9	4.8	9.2
1974	11.3	16.1	17.0	20.3	15.0	19.4	29.6	20.7	7.6	15.3
1975	10.6	15.4	12.5	11.0	13.5	13.5	10.8	14.4	-3.4	10.8
1976	7.4	13.3	9.1	6.9	7.6	11.9	3.1	1.2	2.0	9.5
1977	7.4	9.6	8.2	7.5	7.7	10.9	7.8	12.2	-4.0	7.1
1978	7.4	8.2	8.2	7.3	8.1	9.5	8.6	13.5	-4.1	6.4
1979	9.2	8.4	9.9	9.7	10.4	12.1	19.2	14.7	3.7	10.4
1980	10.5	12.0	9.0	8.8	9.8	10.0	15.9	15.7	0.3	10.6
1981	11.1	12.0	11.3	11.8	10.5	14.6	8.1	11.2	-2.8	10.0

⁽¹⁾ These implicit price indexes are currently weighted price indexes. They reflect not only pure price change, but also changing expenditure patterns within and between major groups. The implicit price index for gross national expenditure is derived by dividing the total of current dollars by the total of constant dollars.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 44
Consumer Price Indexes: Standard Classifications
1961 – 1981
(1971 = 100)

Years	All items	Food	Housing	Clothing	Transportation	Health and personal care	Recreation and reading	Tobacco and alcohol
D	484000	484001	484126	484214	484319	484344	484372	484404
1961	74.9	76.1	73.1	77.7	77.0	70.2	73.7	77.8
1962	75.8	77.5	73.9	78.4	76.9	71.6	74.4	78.7
1963	77.2	80.0	74.8	80.4	76.9	73.4	75.4	78.9
1964	78.6	81.3	76.0	82.4	77.7	75.9	76.6	80.4
1965	80.5	83.4	77.3	83.8	80.7	79.4	77.9	81.7
1966	83.5	88.7	79.4	87.0	82.6	81.8	80.1	83.7
1967	86.5	89.9	82.9	91.3	86.1	86.0	84.2	85.8
1968	90.0	92.8	86.7	94.1	88.3	89.5	88.3	93.6
1969	94.1	96.7	91.2	96.7	92.4	93.8	93.6	97.2
1970	97.2	98.9	95.7	98.5	96.1	98.0	96.8	98.4
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	104.8	107.6	104.7	102.6	102.6	104.8	102.8	102.7
1973	112.8	123.3	111.4	107.7	105.3	109.8	107.1	106.0
1974	125.0	143.4	121.2	118.0	115.8	119.4	116.5	111.8
1975	138.5	161.9	133.2	125.1	129.4	133.0	128.5	125.3
1976	148.9	166.2	148.0	132.0	143.3	144.3	136.2	134.3
1977	160.8	180.1	161.9	141.0	153.3	155.0	142.7	143.8
1978	175.1	208.0	174.1	146.4	162.2	166.2	148.2	155.5
1979	191.2	235.3	186.2	159.9	178.0	181.2	158.4	166.7
1980	210.6	260.6	201.4	178.7	200.7	199.3	173.5	185.3
1981	236.9	290.4	226.4	191.4	237.6	221.0	191.0	209.2
(Per cent change)								
1961	0.9	1.5	0.5	1.5	0.3	0.5	1.2	0.5
1962	1.2	1.9	1.1	0.8	-0.2	2.0	0.9	1.2
1963	1.8	3.2	1.2	2.6	0.0	2.5	1.3	0.3
1964	1.8	1.6	1.6	2.5	1.0	3.4	1.7	1.9
1965	2.4	2.6	1.7	1.7	3.9	4.6	1.7	1.6
1966	3.7	6.4	2.7	3.8	2.4	3.0	2.8	2.4
1967	3.6	1.4	4.4	4.9	4.2	5.1	5.1	2.5
1968	4.0	3.2	4.6	3.1	2.6	4.1	4.9	9.1
1969	4.6	4.2	5.2	2.8	4.6	4.8	6.0	3.8
1970	3.3	2.3	4.9	1.9	4.0	4.5	3.4	1.2
1971	2.9	1.0	4.5	1.5	4.1	2.0	3.3	1.6
1972	4.8	7.6	4.6	2.6	2.7	4.8	2.8	2.7
1973	7.6	14.6	6.5	5.0	2.6	4.8	4.2	3.1
1974	10.9	16.3	8.7	9.6	9.9	8.7	8.8	5.5
1975	10.8	12.9	10.0	6.0	11.8	11.4	10.3	12.1
1976	7.5	2.7	11.1	5.6	10.8	8.5	6.0	7.1
1977	8.0	8.3	9.4	6.8	7.0	7.4	4.7	7.1
1978	8.9	15.5	7.5	3.9	5.8	7.2	3.9	8.1
1979	9.1	13.2	7.0	9.2	9.7	9.1	6.9	7.2
1980	10.2	10.7	8.2	11.7	12.8	9.9	9.5	11.2
1981	12.5	11.4	12.4	7.1	18.4	10.9	10.1	12.9

Source: Statistics Canada, *Prices and Price Indexes*, monthly, cat. 62-002.

Reference Table 45

Consumer Price Indexes: Reclassified by Goods and Services

1961 – 1981

(1971 = 100)

Years	Total consumer price index	Total excluding food	Total com- modities	Total com- modities excluding food	Non- durables	Non- durables excluding food	Durables	Total services ⁽¹⁾	Services excluding shelter
D	484000	488806	488801	488814	488804	488815	488802	488805	488816
1961	74.9	74.6	79.9	82.7	77.3	79.4	94.0	66.6	66.5
1962	75.8	75.3	80.7	83.0	78.4	80.1	93.1 ⁽¹⁾	67.8	67.7
1963	77.2	76.2	82.1	83.7	80.0	80.0	93.3	68.9	68.8
1964	78.6	77.6	83.1	84.5	81.2	81.1	92.4	70.9	70.9
1965	80.5	79.4	84.5	85.4	83.0	82.4	92.2	73.5	74.7
1966	83.5	81.7	87.8	87.3	87.0	84.5	92.2	76.1	77.6
1967	86.5	85.3	90.0	90.4	88.6	86.9	94.8	80.2	82.2
1968	90.0	89.0	93.4	93.7	92.4	91.5	96.3	84.4	85.8
1969	94.1	93.1	96.3	96.1	95.9	94.7	97.2	90.0	91.4
1970	97.2	96.7	98.2	97.9	98.1	97.0	98.4	95.3	96.0
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	104.8	103.7	104.6	102.3	105.8	102.9	101.2	105.2	104.7
1973	112.8	109.0	113.7	106.4	118.1	108.3	102.6	111.6	109.8
1974	125.0	118.6	128.1	116.7	135.3	120.4	110.4	120.5	119.4
1975	138.5	130.5	142.0	127.7	152.7	136.0	118.9	133.4	135.2
1976	148.9	142.8	149.0	136.1	160.0	147.6	125.3	149.6	153.1
1977	160.8	154.0	160.0	145.2	173.0	158.9	131.7	163.2	166.9
1978	175.1	163.9	176.2	153.8	194.4	170.5	139.4	174.3	178.0
1979	191.2	176.9	194.9	167.9	216.2	185.7	152.8	186.5	192.5
1980	210.6	194.6	217.2	187.5	242.6	210.4	169.4	201.8	211.0
1981	236.9	219.5	245.7	213.0	281.2	252.7	185.4	225.0	236.6
(Per cent change)									
1962	1.2	1.0	0.9	0.3	1.5	0.8	-0.9	1.7	1.8
1963	1.8	1.2	1.7	0.8	2.0	-0.1	0.1	1.6	1.6
1964	1.8	1.8	1.2	1.0	1.5	1.4	-1.0	2.9	3.1
1965	2.4	2.3	1.7	1.1	2.2	1.6	-0.2	3.7	5.4
1966	3.7	2.9	3.9	2.2	4.8	2.5	3.0	3.5	3.9
1967	3.6	4.4	2.5	3.6	1.8	2.8	2.8	5.4	5.9
1968	4.0	4.3	3.8	3.7	4.3	5.3	1.6	5.2	4.5
1969	4.6	4.6	3.1	2.6	3.8	3.5	0.9	6.6	6.3
1970	3.3	3.9	2.0	1.9	2.3	2.4	1.2	5.9	5.1
1971	2.9	3.4	1.8	2.1	1.9	3.1	1.6	4.9	4.2
1972	4.8	3.7	4.5	2.3	5.9	2.9	1.2	5.1	4.7
1973	7.6	5.1	8.8	4.0	11.6	5.3	1.4	6.2	4.8
1974	10.9	8.8	12.6	9.7	14.5	11.2	7.6	8.0	8.8
1975	10.8	10.1	10.9	9.4	12.9	12.9	7.7	10.7	13.2
1976	7.5	9.4	4.9	6.6	4.8	8.6	5.4	12.2	13.2
1977	8.0	7.9	7.4	6.7	8.1	7.7	5.1	9.0	9.0
1978	8.9	6.4	10.2	6.0	12.4	7.2	5.8	6.8	6.7
1979	9.1	7.9	10.6	9.2	11.2	8.9	9.6	7.0	8.1
1980	10.2	10.0	11.5	11.6	12.2	13.3	10.9	8.2	9.6
1981	12.5	12.8	13.1	13.6	15.9	20.1	9.5	11.5	12.1

⁽¹⁾ Includes new houses, property taxes, and mortgage interest, but excludes the commodity component of shelter repairs.

Source: Statistics Canada, *Prices and Price Indexes*.

Reference Table 46
Energy Prices
1961 – 1981

Year	Consumer prices					Crude oil prices		Industrial electricity
	Gasoline	Natural gas	Electricity	Fuel oil	Total energy	Imported-CIF Montreal	Wellhead-Alberta	(>5000 kwh)
	(Per cent change)					(Dollars per barrel)		(Per cent change)
1961.....	0.5	0.2	0.4	-3.8	—	2.10	—	—
1962.....	-0.2	0.7	-1.0	-1.9	—	2.32	2.61	—
1963.....	-1.3	0.0	0.2	-3.9	—	2.51	2.65	—
1964.....	4.4	0.0	-0.4	-4.9	—	2.47	2.65	—
1965.....	1.4	0.2	-1.6	0.0	—	2.47	2.65	—
1966.....	4.4	-0.4	0.1	-0.2	—	2.39	2.65	—
1967.....	2.4	0.1	7.3	1.8	—	2.64	2.65	—
1968.....	3.6	1.6	5.0	4.2	—	2.99	2.65	—
1969.....	2.5	-0.2	2.4	2.3	—	2.61	2.65	—
1970.....	2.3	-1.2	8.6	2.1	—	2.43	2.66	—
1971.....	3.5	1.5	3.4	9.6	—	2.95	2.85	—
1972.....	0.8	0.6	2.7	6.1	2.8	2.86	2.86	1.0
1973.....	6.8	1.6	8.1	15.7	9.0	3.95	3.48	6.0
1974.....	16.6	10.1	3.8	29.3	15.2	11.29	5.83	11.3
1975.....	13.2	20.8	11.6	13.5	13.5	12.59	7.25	10.5
1976.....	12.4	29.0	16.0	16.1	15.4	12.88	8.53	16.7
1977.....	8.6	13.1	17.0	15.5	12.2	15.16	10.25	30.5
1978.....	5.6	18.8	8.1	14.0	9.3	16.28	12.25	10.7
1979.....	10.2	5.5	8.7	12.4	9.8	22.86	13.25	9.7
1980.....	19.0	11.8	9.3	20.2	16.0	36.96	15.58	13.6
1981.....	36.0	27.4	8.8	43.4	30.1	42.99	18.88	n.a.

Source: Consumer prices are from Statistics Canada, *The Consumer Price Index*, cat. 62-001. Data for total energy are not published for the period prior to 1972.

Reference Table 47
Other Price Indexes
1961 – 1981
(1971 = 100)

Years	World commodity prices ⁽¹⁾		Industry selling price index			Building materials		Merchandise export prices	Merchandise import prices	Terms of trade ⁽²⁾
	Total	Food	Total	Food	Non-food	Residential	Non-residential			
D			500000	500001	634401	610002	476602	40641	40643	
(1971 = 100)										
1961.....	79.0	65.1	82.4	78.2	83.7	69.3	74.6	85.1	84.0	101.4
1962.....	77.2	63.1	83.3	79.8	84.4	69.7	74.0	88.8	87.9	101.1
1963.....	87.6	77.8	84.4	82.6	85.0	72.1	75.9	89.2	90.0	99.1
1964.....	94.8	84.7	85.1	83.1	85.8	75.8	79.6	91.0	90.5	100.6
1965.....	95.7	83.7	86.2	83.9	87.0	80.2	83.2	92.1	90.2	102.2
1966.....	100.5	85.1	88.7	88.4	88.8	83.9	86.1	94.3	91.9	102.6
1967.....	95.1	84.7	90.4	89.1	90.9	86.8	87.9	95.1	92.7	102.6
1968.....	93.6	83.4	92.3	90.3	93.0	91.5	90.1	96.2	94.8	101.5
1969.....	101.7	89.8	95.8	94.9	96.1	96.4	94.1	97.7	97.0	100.8
1970.....	107.2	101.8	98.1	97.2	98.3	95.3	96.7	100.6	98.6	102.0
1971.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.1
1972.....	129.4	134.8	104.4	108.6	103.4	109.8	104.9	103.3	102.3	101.0
1973.....	210.8	211.4	116.1	131.3	112.3	124.0	113.1	118.2	110.0	107.5
1974.....	259.1	283.2	138.1	155.0	133.8	135.2	137.3	157.2	135.5	116.0
1975.....	224.9	255.1	153.7	170.9	149.3	139.7	147.0	173.2	156.6	110.6
1976.....	263.3	296.3	161.5	173.7	158.3	153.6	156.6	176.6	157.9	111.8
1977.....	319.7	389.2	174.3	185.9	171.3	165.2	165.6	189.2	177.1	106.8
1978.....	336.1	405.0	190.4	205.6	186.4	184.1	179.4	205.8	200.8	102.5
1979.....	409.8	479.9	217.9	231.7	214.1	207.0	208.7	249.2	229.6	108.5
1980.....	482.7	592.2	247.2	256.6	244.3	215.2	230.2	290.6	267.5	108.6
1981.....	427.2	519.2	272.2	279.3	269.9	236.3	253.1	311.4	296.2	105.1
(Per cent change)										
1961.....	-2.8	-2.3	0.3	2.2	—	-0.7	-0.9	0.7	3.0	-2.3
1962.....	-2.3	-3.0	1.1	2.0	0.8	0.6	-0.9	4.3	4.6	-0.3
1963.....	13.4	23.3	1.4	3.5	0.7	3.4	2.7	0.5	2.4	-1.9
1964.....	8.2	8.9	0.8	0.6	0.9	5.1	4.8	2.0	0.5	1.5
1965.....	1.0	-1.2	1.3	1.0	1.4	5.8	4.5	1.3	-0.3	1.6
1966.....	5.0	1.7	2.9	5.4	2.1	4.6	3.5	2.4	1.9	0.4
1967.....	-5.4	-0.5	2.0	0.8	2.4	3.5	2.1	0.8	0.9	0.0
1968.....	-1.6	-1.5	2.1	1.4	2.3	5.4	2.5	1.2	2.3	-1.1
1969.....	8.6	7.7	3.8	5.1	3.3	5.4	4.5	1.5	2.2	-0.7
1970.....	5.4	13.3	2.4	2.4	2.3	-1.1	2.7	2.9	1.7	1.2
1971.....	-6.7	-1.8	1.9	2.9	1.7	4.9	3.4	-0.6	1.4	-1.9
1972.....	29.3	34.8	4.4	8.7	3.4	9.8	4.9	3.3	2.4	0.9
1973.....	63.0	56.8	11.2	20.9	8.5	12.9	7.8	14.3	7.5	6.4
1974.....	22.9	34.0	19.0	18.0	19.2	9.0	21.4	33.1	23.2	8.0
1975.....	-13.2	-9.9	11.3	10.2	11.6	3.4	7.1	10.2	15.6	-4.7
1976.....	17.1	16.2	5.1	1.6	6.1	9.9	6.5	1.9	0.8	1.1
1977.....	21.4	31.3	7.9	7.0	8.2	7.5	5.7	7.1	12.2	-4.5
1978.....	5.1	4.1	9.2	10.6	8.8	11.4	8.4	8.8	13.4	-4.1
1979.....	21.9	18.5	14.5	12.7	14.9	12.5	16.3	21.1	14.3	5.9
1980.....	17.8	23.4	13.5	10.7	14.1	4.0	10.3	16.6	16.5	0.1
1981.....	-11.5	-12.3	10.1	8.9	10.5	9.8	10.0	7.1	10.7	-3.2

(1) *The Economist*.

(2) The index of the ratio of merchandise export prices to merchandise import prices.

Source: Statistics Canada, *Prices and Price Indexes*; Statistics Canada, *Trade of Canada Exports*, monthly, cat. 65-004; Statistics Canada, *Trade of Canada Imports*, monthly, cat. 65-007; and Statistics Canada, *Index Numbers of Farm Prices of Agricultural Products*, cat. 62-529.

Reference Table 48
An International Comparison of
Total Government and Central Government Total Expenditures
as Percentages of Gross Domestic or Gross National Product
1973 – 1979

	Average 1969-72	1973	1974	1975	1976	1977	1978	1979
Total Government⁽¹⁾								
Australia ⁽²⁾	26.4	26.9	30.2	32.4	33.0	34.3	33.9	—
Austria	38.4	38.8	40.2	43.2	44.6	44.8	—	—
Canada	36.4	36.5	37.9	41.3	40.2	41.3	41.9	40.3
Denmark	39.1	38.0	41.8	44.4	43.0	—	—	—
France	38.4	38.1	39.2	43.0	43.0	43.8	44.7	45.0
Germany	36.7	38.7	41.4	45.3	44.4	44.3	44.5	44.2
Italy	36.8	38.6	38.4	41.9	41.5	41.9	44.8	44.2
Japan	19.7	21.3	23.4	26.2	26.8	28.1	29.4	30.5
Netherlands	45.3	47.6	49.9	54.4	54.6	55.1	56.7	58.3
Norway	42.0	44.5	44.5	46.5	48.5	50.1	52.3	51.4
Sweden	44.3	45.2	48.3	49.2	51.8	57.7	59.6	61.4
United Kingdom	38.1	39.6	44.5	46.1	45.4	43.4	42.9	43.3
United States ⁽³⁾	32.4	31.9	33.5	35.9	35.0	34.1	33.3	33.0
Average ⁽⁴⁾	36.5	37.4	39.5	42.3	42.4	43.2	44.0	44.1
Central Government⁽⁵⁾								
Australia ⁽²⁾	13.2	13.5	14.8	16.0	16.5	—	—	—
Austria	16.9	15.1	15.7	17.1	17.9	18.0	—	—
Canada	—	—	—	—	—	—	—	—
Excluding C/QPP ..	14.0	14.3	15.4	16.8	15.8	16.2	16.5	15.6
Including C/QPP	14.2	14.6	15.8	17.3	16.4	16.9	17.3	16.5
France	17.9	16.9	17.0	18.3	17.9	18.2	18.4	18.2
Germany	9.2	9.3	9.4	10.7	10.4	10.4	10.6	10.6
Italy ⁽⁶⁾	15.9	15.9	15.7	17.2	17.2	18.2	20.1	20.0
Japan ⁽⁶⁾	5.0	5.2	5.7	5.9	6.2	6.6	6.9	7.4
Netherlands	14.4	14.5	14.8	16.2	16.2	16.4	16.9	17.6
Norway	29.1	31.0	31.2	32.5	34.0	32.5	34.0	33.7
Sweden	18.4	19.6	20.4	20.7	22.0	24.3	25.6	26.8
United Kingdom	19.9	20.3	23.4	24.0	24.0	23.6	23.9	24.6
United States ⁽³⁾	18.0	17.0	17.9	19.6	19.1	18.8	18.2	18.2
Average ⁽⁷⁾	16.0	16.1	16.8	18.0	18.2	18.4	18.9	19.0

⁽¹⁾ Includes all levels of government and the social security system, but excludes public corporations and public financial institutions.

⁽²⁾ Excludes social security benefits.

⁽³⁾ To conform to Canadian national accounts conventions and to facilitate Canada-United States comparisons, the current surpluses of government enterprises and the interest received by the government have been added to government expenditures. In the United States national accounts these items are netted out of subsidies and interest payments respectively.

⁽⁴⁾ The 1977, 1978 and 1979 averages are based on the assumption that the 1976 GDP expenditure share of Denmark, the 1977 share of Austria and the 1978 share of Australia prevailed in the following years.

⁽⁵⁾ Net of transfers to other levels of government.

⁽⁶⁾ Average for 1970-72 instead of the average for 1969-72.

⁽⁷⁾ The 1977, 1978 and 1979 averages are based on the assumption that the 1976 GDP expenditure share of Australia and the 1978 GDP expenditure of Austria prevailed in the following years. The averages for the whole period are based on Canadian estimates including C/QPP.

Source: OECD, *National Accounts of OECD Countries*, 1979, volume II; Statistics Canada, *National Income and Expenditure Accounts*, and for the U.S. *Economic Report of the President and the Survey of Current Business*.

Reference Table 49
Total Government Revenues
National Income and Expenditure Accounts Basis
1947 – 1981

Years	Direct taxes persons	Direct taxes corporations	Withholding taxes	Indirect taxes	Transfers from persons	Investment income	Capital consumption allowances	Total CPP and QPP ⁽¹⁾	Total revenues ⁽²⁾
D	30516	30522	30525	30526	30530	30535	30548		
(Millions of dollars)									
1947.....	927	702	35	1,855	35	261	146	—	3,961
1948.....	986	687	41	1,907	47	261	171	—	4,100
1949.....	956	723	47	1,955	57	242	187	—	4,167
1950.....	915	993	54	2,129	62	280	201	—	4,634
1951.....	1,279	1,431	56	2,677	77	285	248	—	6,053
1952.....	1,588	1,403	55	2,901	82	368	265	—	6,662
1953.....	1,748	1,244	54	3,107	84	378	280	—	6,895
1954.....	1,776	1,115	58	3,131	73	373	293	—	6,819
1955.....	1,855	1,310	67	3,407	79	420	320	—	7,458
1956.....	2,127	1,443	69	3,858	97	537	365	—	8,496
1957.....	2,350	1,378	83	4,095	106	490	385	—	8,887
1958.....	2,214	1,350	48	4,186	124	542	404	—	8,868
1959.....	2,444	1,615	74	4,651	224	604	434	—	10,046
1960.....	2,794	1,588	79	4,901	234	649	465	—	10,710
1961.....	2,944	1,649	116	5,159	256	710	531	—	11,365
1962.....	3,180	1,753	125	5,807	268	784	574	—	12,491
1963.....	3,387	1,891	127	6,115	274	885	629	—	13,308
1964.....	3,917	2,100	140	6,877	316	978	676	—	15,004
1965.....	4,431	2,197	167	7,741	377	1,080	768	—	16,761
1966.....	5,792	2,355	204	8,669	401	1,241	864	724	19,526
1967.....	7,009	2,396	218	9,489	447	1,495	922	904	21,976
1968.....	8,244	2,852	209	10,303	613	1,765	988	1,040	24,974
1969.....	10,055	3,221	234	11,423	838	2,257	1,113	1,190	29,141
1970.....	11,547	3,070	269	12,055	1,077	2,705	1,231	1,327	31,954
1971.....	13,042	3,346	278	13,048	1,107	3,180	1,334	1,478	35,335
1972.....	14,631	3,920	287	14,760	1,036	3,690	1,495	1,657	39,819
1973.....	17,041	5,080	322	16,686	1,072	4,386	1,710	1,875	46,297
1974.....	21,197	7,051	430	20,876	1,125	5,916	2,161	2,313	58,756
1975.....	24,070	7,486	465	21,442	1,139	7,112	2,525	2,780	64,239
1976.....	28,353	7,113	504	24,864	1,480	8,357	2,825	3,282	73,496
1977.....	31,538	7,256	534	27,227	1,671	9,927	3,157	3,666	81,310
1978.....	33,418	8,241	582	29,314	2,026	12,476	3,510	4,231	89,567
1979.....	36,883	10,027	754	32,537	2,203	14,407	3,984	4,867	100,795
1980.....	42,366	11,608	995	36,134	2,334	16,685	4,624	5,669	114,746
1981.....	51,326	12,037	1,110	46,084	2,555	18,712	5,400	6,499	137,224

⁽¹⁾ Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) employer-employee contributions and investment income included in total government direct taxes persons and investment income, respectively.

⁽²⁾ Includes CPP and QPP. Excludes intergovernmental transfers.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 50
Total Government Expenditures
National Income and Expenditure Accounts Basis
1947 – 1981

Years	Goods and services	National defence ⁽¹⁾	Transfers to persons	Interest on the public debt	Subsidies	Capital assistance ⁽²⁾	Transfers to non-residents	Total CPP and QPP ⁽³⁾	Gross capital formation	Total expenditures ⁽⁴⁾	Deficit (-) or surplus
D	30560	31284	30565	30579	30572	30575	30578	—	30597	—	30609
(Millions of dollars)											
1947	1,343	227	834	559	177	6	46	—	233	3,198	763
1948	1,454	236	857	558	75	10	32	—	392	3,378	722
1949	1,722	361	942	572	77	13	15	—	483	3,824	343
1950	1,928	493	1,023	544	64	10	14	—	497	4,080	554
1951	2,811	1,157	1,024	609	129	13	21	—	620	5,227	826
1952	3,620	1,800	1,343	651	102	14	28	—	847	6,605	57
1953	3,824	1,907	1,449	620	113	14	37	—	755	6,812	83
1954	3,825	1,727	1,626	650	89	13	23	—	865	7,091	-272
1955	4,036	1,760	1,719	664	86	8	36	—	949	7,498	-40
1956	4,426	1,802	1,746	718	127	27	42	—	1,138	8,224	272
1957	4,573	1,765	2,052	774	120	29	52	—	1,306	8,906	-19
1958	4,854	1,661	2,605	826	150	18	67	—	1,426	9,946	-1,078
1959	4,976	1,559	2,721	1,023	250	22	85	—	1,570	10,647	-601
1960	5,281	1,546	3,090	1,093	314	17	74	—	1,511	11,380	-670
1961	6,206	1,613	2,709	1,184	321	21	77	—	1,682	12,200	-835
1962	6,608	1,680	2,912	1,316	361	41	59	—	1,900	13,197	-706
1963	6,982	1,572	2,979	1,431	401	77	89	—	1,973	13,932	-624
1964	7,593	1,584	3,175	1,546	436	92	95	—	1,968	14,905	99
1965	8,358	1,559	3,423	1,675	457	92	119	—	2,430	16,554	207
1966	9,748	1,709	3,750	1,862	639	65	195	15	2,842	19,101	425
1967	11,153	1,805	4,667	2,081	637	91	217	17	2,982	21,828	148
1968	12,684	1,812	5,473	2,391	641	100	170	37	3,013	24,472	502
1969	14,241	1,799	6,161	2,767	701	110	185	77	3,061	27,226	1,915
1970	16,630	1,868	6,985	3,250	756	123	244	134	3,160	31,148	806
1971	18,368	1,926	8,255	3,622	772	225	249	200	3,714	35,205	130
1972	20,291	1,963	9,918	4,137	884	245	279	284	3,984	39,738	81
1973	23,037	2,174	11,198	4,788	1,088	326	318	406	4,290	45,045	1,252
1974	27,816	2,548	13,880	5,425	2,619	326	407	542	5,488	55,961	2,795
1975	33,380	2,780	17,080	6,538	3,858	486	592	777	6,354	68,288	-4,049
1976	38,325	3,220	19,483	8,101	3,344	564	542	1,099	6,359	76,718	-3,222
1977	43,374	3,693	22,220	9,268	3,320	662	638	1,428	6,833	86,315	-5,005
1978	47,676	4,080	25,058	11,406	3,460	710	1,013	1,782	7,198	96,521	-6,954
1979	51,979	4,245	26,337	13,575	4,612	759	767	2,174	7,457	105,486	-4,691
1980	57,913	4,936	30,308	15,719	6,943	945	817	2,667	8,084	120,729	-5,983
1981	66,192	5,743	34,090	20,510	7,843	1,018	873	3,286	8,931	139,457	-2,233

(¹) Included in goods and services.

(²) From 1961 on, this item is treated as government current expenditures; prior to 1961, it was treated as a capital transfer.

(³) CPP and QPP goods and services expenditures and benefit payments included in total government goods and services and transfers to persons and non-residents, respectively.

(⁴) Includes CPP and QPP. Excludes intergovernmental transfers.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 51
Federal Government Revenues
National Income and Expenditure Accounts Basis
1947 – 1981

Years	Direct taxes persons	Direct taxes corpora- tions	Withholding taxes	Indirect taxes	Transfers from persons	Investment income	Capital con- sumption allowances	Total revenues
D	30517	30523	30525	30527	30531	30536	30549	
(Millions of dollars)								
1947.....	825	631	35	1,136	4	102	43	2,776
1948.....	875	568	41	1,086	6	91	50	2,717
1949.....	841	593	47	1,048	7	109	54	2,699
1950.....	806	847	54	1,115	7	133	58	3,020
1951.....	1,158	1,242	56	1,494	6	143	66	4,165
1952.....	1,461	1,294	55	1,594	7	205	71	4,687
1953.....	1,613	1,168	54	1,697	2	200	75	4,809
1954.....	1,622	1,051	58	1,612	1	187	77	4,608
1955.....	1,647	1,248	67	1,743	1	220	82	5,008
1956.....	1,910	1,364	69	1,970	1	296	88	5,698
1957.....	2,105	1,170	83	1,989	2	230	93	5,672
1958.....	1,965	1,105	48	1,906	2	285	98	5,409
1959.....	2,183	1,340	74	2,120	2	316	104	6,139
1960.....	2,503	1,308	79	2,177	3	336	111	6,517
1961.....	2,629	1,345	116	2,188	2	382	117	6,779
1962.....	2,605	1,314	125	2,400	1	410	124	6,979
1963.....	2,730	1,412	127	2,449	2	471	132	7,323
1964.....	3,129	1,575	140	2,845	2	525	139	8,355
1965.....	3,332	1,652	167	3,245	3	545	151	9,095
1966.....	3,634	1,774	204	3,570	3	632	167	9,984
1967.....	4,305	1,758	218	3,705	3	738	179	10,906
1968.....	5,125	2,107	209	3,761	4	821	191	12,218
1969.....	6,503	2,402	234	4,028	2	1,108	213	14,490
1970.....	7,436	2,276	269	4,034	2	1,279	232	15,528
1971.....	8,299	2,477	278	4,480	4	1,458	245	17,241
1972.....	9,285	2,901	287	5,121	5	1,684	277	19,560
1973.....	10,861	3,644	322	5,837	6	1,827	312	22,809
1974.....	13,538	5,012	430	8,495	8	2,116	379	29,978
1975.....	15,231	5,372	465	7,882	8	2,304	441	31,703
1976.....	18,042	5,046	504	8,601	11	2,608	501	35,313
1977.....	18,042	5,157	534	9,085	13	3,124	554	36,509
1978.....	17,707	5,786	582	9,750	15	3,879	606	38,325
1979.....	20,257	6,887	754	10,661	17	4,199	686	43,461
1980.....	23,434	8,002	995	12,131	20	4,718	776	50,076
1981.....	29,065	8,624	1,110	18,838	23	5,401	923	63,984

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 52
Federal Government Expenditures
National Income and Expenditure Accounts Basis
1947 – 1981

Years	Goods and services	National defence ⁽¹⁾	Transfers to persons	Interest on the public debt	Subsidies	Capital assistance ⁽²⁾	Transfer payments to non-residents	Transfers to other levels of government	Gross capital formation	Total expenditures	Deficit(-) or surplus
D	30561	31284	30566	30580	30573	30576	41974	459141	30598	—	30160
(Millions of dollars)											
1947	651	227	611	453	171	1	46	192	-36	2,089	687
1948	628	236	570	453	71	1	32	150	47	1,952	765
1949	757	361	583	461	73	1	15	187	138	2,215	484
1950	923	493	615	427	60	1	14	251	79	2,370	650
1951	1,634	1,157	580	486	124	0	21	259	90	3,194	971
1952	2,315	1,800	975	515	96	2	28	368	193	4,492	195
1953	2,462	1,907	1,043	471	106	1	37	412	126	4,658	151
1954	2,316	1,727	1,165	482	84	1	23	430	153	4,654	-46
1955	2,364	1,760	1,229	487	75	3	36	450	162	4,806	202
1956	2,517	1,802	1,221	516	118	16	42	485	185	5,100	598
1957	2,513	1,765	1,460	531	108	20	52	521	217	5,422	250
1958	2,524	1,661	1,893	568	131	13	67	663	317	6,176	-767
1959	2,387	1,559	1,782	733	229	19	85	880	363	6,478	-339
1960	2,426	1,546	1,973	753	283	15	74	994	228	6,746	-229
1961	2,584	1,613	2,005	786	285	18	77	1,128	306	7,189	-410
1962	2,688	1,680	2,110	865	322	38	59	1,134	270	7,486	-507
1963	2,617	1,572	2,134	935	355	74	89	1,169	236	7,609	-286
1964	2,750	1,584	2,241	995	379	89	95	1,252	209	8,010	345
1965	2,829	1,559	2,311	1,052	372	86	119	1,431	351	8,551	544
1966	3,267	1,709	2,484	1,151	500	62	195	1,664	430	9,753	231
1967	3,562	1,805	2,918	1,245	519	73	217	1,992	464	10,990	-84
1968	3,883	1,812	3,295	1,409	522	78	170	2,372	500	12,229	-11
1969	4,242	1,799	3,598	1,589	555	88	185	2,726	486	13,469	1,021
1970	4,551	1,868	4,057	1,862	589	97	244	3,397	465	15,262	266
1971	4,958	1,926	4,684	1,974	513	171	249	4,323	514	17,386	-145
1972	5,452	1,963	6,186	2,253	596	181	277	4,558	623	20,126	-566
1973	6,087	2,174	7,008	2,518	738	227	315	4,807	722	22,422	387
1974	7,408	2,548	8,705	2,961	2,060	193	403	6,165	974	28,869	1,109
1975	8,329	2,780	10,620	3,705	3,183	288	588	7,670	1,125	35,508	-3,805
1976	9,670	3,220	11,533	4,519	2,398	367	537	8,522	1,158	38,704	-3,391
1977	11,143	3,693	13,089	5,101	2,222	497	630	9,967	1,163	43,812	-7,303
1978	11,981	4,080	14,647	6,410	2,301	556	1,003	10,875	1,206	48,979	-10,654
1979	12,750	4,245	14,657	8,080	3,220	546	756	11,754	911	52,674	-9,213
1980	13,707	4,936	16,574	9,653	5,486	707	804	12,828	1,014	60,773	-10,697
1981	16,300	5,743	18,843	13,350	6,273	761	857	14,060	1,044	71,488	-7,504

(1) Included in goods and services.

(2) See note 2 on reference table 50.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 53
Federal Government Expenditure by Envelope
Expenditure Management System Basis

	1976/77	1977/78	1978/79	1979/80	1980/81
	(Millions of dollars)				
Energy	1,631	1,554	1,398	2,362	3,624
Economic development	4,739	4,996	5,024	5,371	5,183
Social affairs	18,605	20,408	22,114	22,690	24,633
Justice and legal	773	915	1,014	1,037	1,213
Fiscal transfers	3,184	3,196	2,999	3,635	3,908
External affairs.....	1,123	1,257	1,353	1,404	1,421
Defence	3,382	3,785	4,108	4,389	5,058
Parliament	73	89	92	99	130
Services to government	2,765	3,175	3,384	3,451	3,841
Sub-total	36,275	39,375	41,486	44,438	49,011
Public debt.....	4,721	5,550	7,058	8,524	10,687
Total outlays	40,996	44,925	48,544	52,962	59,698

Note: Figures for all years are on a consistent basis; the Post Office is treated as a department.

Source: Department of Finance.

Reference Table 54
Federal Government Debt
Public Accounts Basis⁽¹⁾

Year	Gross debt	Net debt	Unmatured debt	Public debt charges	
				Gross	Net
(Millions of dollars)					
1952.....	16,729	11,185	13,949	531	413
1957.....	17,586	11,009	13,573	534	327
1962.....	21,742	13,227	16,883	839	532
1963.....	23,100	13,962	17,950	918	606
1964.....	24,849	15,170	18,739	994	627
1965.....	25,943	15,530	18,934	1,051	629
1966.....	26,612	15,326	18,966	1,111	673
1967.....	28,132	15,535	19,681	1,191	671
1968.....	29,734	16,224	20,284	1,301	689
1969.....	32,020	16,715	21,725	1,480	785
1970.....	33,327	16,222	22,184	1,717	857
1971.....	36,781	16,594	24,886	1,920	920
1972 ⁽²⁾	40,209	18,811	27,259	2,137	1,004
1973.....	43,252	19,810	29,039	2,301	1,036
1974.....	45,677	21,194	29,171	2,566	1,077
1975.....	50,997	22,927	33,086	3,239	1,408
1976.....	58,025	28,390	37,697	3,972	1,875
1977.....	65,761	34,600	42,519	4,721	2,309
1978.....	78,528	44,889	51,567	5,550	2,958
1979.....	95,702	57,115	66,591	7,058	3,902
1980.....	103,626	68,595	72,121	8,524	5,180
1981.....	118,461	81,263	83,149	10,687	6,557
(Per cent of GNP) ⁽³⁾					
1952.....	77.3	51.7	64.5	2.5	1.9
1957.....	54.9	34.3	42.3	1.7	1.0
1962.....	54.8	33.4	42.6	2.1	1.3
1963.....	53.8	32.5	41.8	2.1	1.4
1964.....	54.0	33.0	40.8	2.2	1.4
1965.....	51.6	30.9	37.7	2.1	1.3
1966.....	48.1	27.7	34.3	2.0	1.2
1967.....	45.5	25.1	31.8	1.9	1.1
1968.....	44.8	24.4	30.5	2.0	1.0
1969.....	44.1	23.0	29.9	2.0	1.1
1970.....	41.8	20.3	27.8	2.2	1.1
1971.....	42.9	19.4	29.0	2.2	1.1
1972.....	42.6	19.9	28.9	2.3	1.1
1973.....	41.1	18.8	27.6	2.2	1.0
1974.....	37.0	17.2	23.6	2.1	0.9
1975.....	34.6	15.5	22.4	2.2	1.0
1976.....	35.1	17.2	22.8	2.4	1.1
1977.....	34.4	18.1	22.3	2.5	1.2
1978.....	37.6	21.5	24.7	2.7	1.4
1979.....	41.5	24.8	28.9	3.1	1.7
1980.....	39.6	26.2	27.5	3.3	2.0
1981.....	40.9	28.0	28.7	3.7	2.3

⁽¹⁾ As at March 31 of each year.

⁽²⁾ Data for gross debt and net debt for years prior to 1972 are not entirely consistent with those for later years due to changes in accounting practices.

Revised data are available only from March 1972.

⁽³⁾ Calculated using GNP of calendar year preceding the fiscal year end.

Source: *Public Accounts of Canada*.

Reference Table 55
Actual and Cyclically Adjusted Budget Balances
Federal and Consolidated Government Sectors
National Income and Expenditure Accounts Basis
1954 – 1981

Years	Actual balances (surplus or deficit (–))		Cyclically adjusted balances (surplus or deficit (–))		Actual balances (surplus or deficit (–))		Cyclically adjusted balances (surplus or deficit (–))	
	Federal government	All governments	Federal government	All governments	Federal government	All governments	Federal government	All governments
	(Millions of dollars)				(Per cent of GNP) ⁽¹⁾			
1954	–46	–272	40	–176	–0.2	–1.1	0.2	–0.7
1955	202	–40	35	–224	0.7	–0.1	0.1	–0.8
1956	598	272	101	–275	1.9	0.9	0.3	–0.9
1957	250	–19	54	–250	0.8	–0.1	0.2	–0.8
1958	–767	–1,078	–543	–843	–2.2	–3.1	–1.6	–2.4
1959	–339	–601	–114	–349	–0.9	–1.6	–0.3	–0.9
1960	–229	–670	217	–167	–0.6	–1.8	0.6	–0.4
1961	–410	–835	240	–85	–1.0	–2.1	0.6	–0.2
1962	–507	–706	–162	–281	–1.2	–1.6	–0.4	–0.6
1963	–286	–624	–27	–297	–0.6	–1.4	–0.1	–0.6
1964	345	99	347	106	0.7	0.2	0.7	0.2
1965	544	207	367	–9	1.0	0.4	0.7	–0.0
1966	231	425	–219	–152	0.4	0.7	–0.4	–0.3
1967	–84	148	–257	–55	–0.1	0.2	–0.4	–0.1
1968	–11	502	–158	312	–0.0	0.7	–0.2	0.4
1969	1,021	1,915	741	1,554	1.3	2.4	0.9	2.0
1970	266	806	541	1,199	0.3	0.9	0.6	1.4
Average 1961 to 1970	111	194	105	229	0.1	0.0	0.2	0.2
1971	–145	130	3	322	–0.2	0.1	0.0	0.3
1972	–566	81	–655	–78	–0.5	0.1	–0.6	–0.1
1973	387	1,252	–598	–82	0.3	1.0	–0.5	–0.1
1974	1,109	2,795	–3	1,320	0.8	1.9	0.0	0.9
1975	–3,805	–4,049	–3,213	–3,263	–2.3	–2.5	–1.9	–2.0
1976	–3,391	–3,222	–3,334	–3,235	–1.8	–1.7	–1.8	–1.7
1977	–7,303	–5,005	–6,084	–3,455	–3.5	–2.4	–2.9	–1.6
1978	–10,654	–6,954	–9,060	–4,955	–4.6	–3.0	–3.9	–2.1
1979	–9,213	–4,691	–7,942	–2,887	–3.5	–1.8	–3.0	–1.1
1980	–10,697	–5,983	–7,101	–575	–3.7	–2.1	–2.3	–0.2
Average 1971 to 1981	–4,707	–2,534	–3,743	–1,157	–1.9	–1.0	–1.6	–0.6
1981	–7,504	–2,233	–3,191	4,162	–2.3	–0.7	–0.9	1.2

⁽¹⁾ Actual balances are taken as a percentage of actual GNP while cyclically adjusted balances are taken as a percentage of cyclically adjusted GNP.

Source: Statistics Canada, *National Income and Expenditure Accounts*, and Department of Finance.

Reference Table 56
Provincial Government Revenues
National Income and Expenditure Accounts Basis
1947 – 1981

Years	Direct taxes persons	Direct taxes corporations	Indirect taxes	Transfers from persons	Investment income	Transfers from other levels of government	Capital consumption allowances	Total revenues
D	40060 40298	40067 40305	40072 40310	40076 40314	40081 40319		40101 40339	
(Millions of dollars)								
1947	97	71	359	28	101	199	44	899
1948	105	119	418	37	111	159	53	1,002
1949	109	130	462	46	79	197	59	1,082
1950	102	146	515	51	89	261	62	1,226
1951	121	189	575	60	117	270	80	1,412
1952	127	109	607	61	140	378	81	1,503
1953	135	76	652	64	154	424	83	1,588
1954	154	64	690	56	165	443	88	1,660
1955	208	62	762	59	186	465	100	1,842
1956	217	79	864	72	221	494	125	2,072
1957	245	208	958	78	240	533	129	2,391
1958	249	245	1,016	94	234	657	132	2,627
1959	261	275	1,087	191	264	880	143	3,101
1960	291	280	1,131	197	287	979	154	3,319
1961	315	304	1,270	211	298	1,110	156	3,664
1962	575	439	1,572	217	341	1,105	172	4,421
1963	657	479	1,713	225	372	1,134	193	4,773
1964	788	525	2,006	261	398	1,217	211	5,406
1965	1,099	545	2,265	313	474	1,379	253	6,328
1966	1,444	581	2,622	331	516	1,593	288	7,375
1967	1,855	638	3,019	367	603	1,951	300	8,733
1968	2,194	745	3,447	541	720	2,320	319	10,286
1969	2,545	819	3,933	776	863	2,678	357	11,971
1970	3,057	794	4,263	1,007	1,032	3,347	395	13,895
1971	3,640	869	4,566	1,031	1,202	4,274	436	16,018
1972	4,156	1,019	5,261	956	1,380	4,449	481	17,702
1973	4,875	1,436	6,198	984	1,812	4,734	575	20,614
1974	6,051	2,039	7,236	1,038	2,897	6,054	778	26,093
1975	6,933	2,114	7,547	1,046	3,701	7,577	912	29,830
1976	8,106	2,067	9,077	1,348	4,375	8,369	1,001	34,343
1977	11,083	2,099	10,039	1,521	5,200	9,665	1,113	40,720
1978	12,985	2,455	10,536	1,858	6,700	10,574	1,248	46,356
1979	13,539	3,140	12,009	2,011	7,992	11,467	1,405	51,563
1980	15,391	3,606	13,109	2,129	9,369	12,592	1,656	57,852
1981	18,290	3,413	15,154	2,330	10,272	13,886	1,929	65,274

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 57
Provincial Government Expenditures
National Income and Expenditure Accounts Basis
1947 – 1981

Years	Goods and services	Transfers to persons	Interest on the public debt	Subsidies	Capital assistance	Transfers to other levels of government	Gross capital formation	Total expenditures	Deficit (-) or surplus
D	40114 40352	40119 40357	40133 40371	40126 40364	40129 40367		40158 40396		40170 40408
(Millions of dollars)									
1947	268	204	68	6	5	101	152	804	95
1948	318	266	68	4	9	129	193	987	15
1949	387	336	72	4	12	157	172	1,140	-58
1950	391	384	75	4	9	171	196	1,230	-4
1951	470	416	78	5	13	197	229	1,408	4
1952	502	334	83	6	12	215	290	1,442	61
1953	498	368	88	7	13	242	265	1,481	107
1954	519	417	94	5	12	259	301	1,607	53
1955	578	449	93	11	5	327	351	1,814	28
1956	688	485	101	9	11	362	460	2,116	-44
1957	703	547	116	12	9	452	536	2,375	16
1958	816	658	115	19	5	545	519	2,677	-50
1959	907	874	121	21	3	622	566	3,114	-13
1960	986	1,044	143	31	2	714	612	3,532	-213
1961	1,040	625	160	36	3	1,535	546	3,945	-281
1962	1,063	718	184	39	3	1,845	625	4,477	-56
1963	1,209	759	212	46	3	1,984	659	4,872	-99
1964	1,322	849	238	57	3	2,242	776	5,487	-81
1965	1,507	1,024	271	85	6	2,560	875	6,328	0
1966	1,890	1,173	317	139	3	3,041	986	7,549	-174
1967	2,307	1,647	385	118	18	3,546	1,046	9,067	-334
1968	2,716	2,030	485	119	22	4,012	958	10,342	-56
1969	2,957	2,369	638	146	22	4,495	1,025	11,652	319
1970	4,109	2,611	759	167	26	5,406	1,046	14,124	-229
1971	4,708	3,139	920	259	54	5,999	1,409	16,488	-470
1972	5,297	3,238	1,127	288	64	6,823	1,556	18,393	-691
1973	6,112	3,574	1,404	350	99	7,540	1,637	20,716	-102
1974	7,539	4,464	1,545	559	133	9,132	2,069	25,441	652
1975	9,634	5,482	1,839	675	198	11,340	2,418	31,586	-1,756
1976	10,796	6,642	2,327	946	197	12,796	2,182	35,886	-1,543
1977	12,410	7,507	2,690	1,098	165	15,200	2,384	41,454	-734
1978	13,867	8,419	3,343	1,159	154	15,712	2,653	45,307	1,049
1979	15,162	9,251	3,712	1,392	213	18,121	2,940	50,791	772
1980	16,935	10,783	4,107	1,457	238	19,604	3,163	56,287	1,565
1981	18,763	11,669	4,987	1,570	257	21,749	3,586	62,581	2,693

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 58
Local Government Revenues
National Income and Expenditure Accounts Basis
1947 – 1981

Years	Direct taxes	Indirect taxes	Investment income	Transfers from persons	Transfers from other levels of government	Capital consumption allowances	Total revenues
D		40073 40311	40082 40320	40077 40315		40102 40340	
(Millions of dollars)							
1947	5	360	58	3	101	59	586
1948	6	403	59	4	129	68	669
1949	6	445	54	4	157	74	740
1950	7	499	58	4	172	81	821
1951	—	608	25	11	199	102	945
1952	—	700	23	14	218	113	1,068
1953	—	758	24	18	245	122	1,167
1954	—	829	21	16	261	128	1,255
1955	—	902	14	19	334	138	1,407
1956	—	1,024	20	24	371	152	1,591
1957	—	1,148	20	26	468	163	1,825
1958	—	1,264	23	28	568	174	2,057
1959	—	1,444	24	31	646	187	2,332
1960	—	1,593	26	34	746	200	2,599
1961	—	1,701	28	41	874	212	2,856
1962	—	1,835	31	47	1,107	229	3,249
1963	—	1,953	39	44	1,200	250	3,486
1964	—	2,026	52	50	1,342	268	3,738
1965	—	2,231	58	58	1,514	299	4,160
1966	—	2,477	79	64	1,868	336	4,824
1967	—	2,765	95	74	2,122	364	5,420
1968	—	3,095	105	65	2,354	393	6,012
1969	—	3,462	99	56	2,595	450	6,662
1970	—	3,758	116	64	3,192	500	7,630
1971	—	4,002	140	68	3,583	538	8,331
1972	—	4,378	153	71	4,069	612	9,283
1973	—	4,651	170	78	4,501	683	10,083
1974	—	5,145	187	75	5,308	840	11,555
1975	—	6,013	223	81	6,703	986	14,006
1976	—	7,186	271	99	7,367	1,118	16,041
1977	—	8,103	317	112	9,197	1,263	18,992
1978	—	9,028	354	126	9,407	1,407	20,322
1979	—	9,867	395	146	11,293	1,610	23,311
1980	—	10,894	425	151	11,733	1,868	25,071
1981	—	12,092	462	164	13,071	2,152	27,941

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 59
Local Government Expenditures
National Income and Expenditure Accounts Basis
1947 – 1981

Years	Goods and services	Transfers to persons	Interest on the public debt	Transfers to other levels of government	Gross capital formation	Total expenditures	Deficit(-) or surplus
D	40115 40353	40120 40359	40134 40372		40159 40397		40171 40409
(Millions of dollars)							
1947	424	19	38	7	117	605	- 19
1948	508	21	37	9	152	727	- 58
1949	578	23	39	10	173	823	- 83
1950	614	24	42	11	222	913	- 92
1951	707	28	45	13	301	1,094	- 149
1952	803	34	53	13	364	1,267	- 199
1953	864	38	61	15	364	1,342	- 175
1954	990	44	74	15	411	1,534	- 279
1955	1,094	41	84	22	436	1,677	- 270
1956	1,221	40	101	18	493	1,873	- 282
1957	1,357	45	127	28	553	2,110	- 285
1958	1,514	54	143	17	590	2,318	- 261
1959	1,682	65	169	24	641	2,581	- 249
1960	1,869	73	197	17	671	2,827	- 228
1961	1,968	79	223	34	680	2,984	- 128
1962	2,174	84	251	28	847	3,384	- 135
1963	2,373	86	266	33	926	3,684	- 198
1964	2,635	85	294	31	834	3,879	- 141
1965	3,015	88	333	37	1,054	4,527	- 367
1966	3,399	93	373	51	1,235	5,151	- 327
1967	3,881	102	430	70	1,274	5,757	- 337
1968	4,438	133	475	64	1,338	6,448	- 436
1969	5,142	143	516	66	1,337	7,204	- 542
1970	5,803	213	595	64	1,425	8,100	- 470
1971	6,277	260	695	64	1,550	8,846	- 515
1972	6,836	246	721	69	1,582	9,454	- 171
1973	7,757	250	825	60	1,676	10,568	- 485
1974	9,072	216	873	61	2,152	12,374	- 819
1975	10,801	257	943	70	2,503	14,574	- 568
1976	12,600	272	1,194	71	2,673	16,810	- 769
1977	14,144	268	1,411	70	2,940	18,833	159
1978	15,580	291	1,587	67	2,934	20,459	- 137
1979	17,182	340	1,714	68	3,218	22,522	789
1980	19,166	384	1,886	79	3,458	24,973	98
1981	21,701	428	2,094	141	3,829	28,193	- 252

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 60
Hospital Revenues and Expenditures
National Income and Expenditure Accounts Basis
1961 – 1981

Years	Revenues					Expenditures				
	Invest- ment income	Transfers from other levels of government	Transfers from persons	Capital consumption allowances	Total revenues	Goods and services	Interest on the public debt	Gross capital forma- tion	Total expendi- tures	Deficit(-) or surplus
D	40083 40321		40078 40316	40103 40341		40116 40354	40555 40558	40160 40398		40172 40410
(Millions of dollars)										
1961	2	713	2	46	763	614	15	150	779	- 16
1962	2	795	3	49	849	683	16	158	857	- 8
1963	3	852	3	54	912	783	18	152	953	- 41
1964	3	966	3	58	1,030	886	19	149	1,054	- 24
1965	3	1,135	3	65	1,206	1,007	19	150	1,176	30
1966	4	1,295	3	73	1,375	1,177	21	191	1,389	- 14
1967	4	1,535	3	79	1,621	1,386	21	198	1,605	16
1968	4	1,774	3	85	1,866	1,625	22	217	1,864	2
1969	4	2,014	4	93	2,115	1,874	24	213	2,111	4
1970	5	2,328	4	104	2,441	2,137	34	224	2,395	46
1971	5	2,529	4	115	2,653	2,397	33	241	2,671	- 18
1972	6	2,932	4	125	3,067	2,672	36	223	2,931	136
1973	7	3,172	4	140	3,323	3,044	41	255	3,340	- 17
1974	11	3,996	4	164	4,175	3,754	46	293	4,093	82
1975	10	4,800	4	186	5,000	4,564	51	308	4,923	77
1976	26	5,653	22	205	5,906	5,201	61	346	5,608	298
1977	33	6,375	25	227	6,660	5,613	66	346	6,025	635
1978	38	6,673	27	249	6,987	6,177	66	405	6,648	339
1979	41	7,183	29	283	7,536	6,811	69	388	7,268	268
1980	45	8,186	34	324	8,589	8,018	73	449	8,540	49
1981	49	8,993	38	396	9,476	9,308	79	472	9,859	- 383

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 61
Federal Government
Liabilities and Assets
Financial Flow Accounts Basis
1965 – 1980

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
	(Millions of dollars)															
Liabilities																
Currency and deposits	319	344	380	446	480	504	529	554	618	704	773	821	882	962	1,050	1,111
Payables	30	41	32	34	50	62	65	57	50	81	92	68	119	173	167	175
Loans	27	164	271	209	65	11	59	85	147	207	262	250	253	3,832	2,104	2,796
Pensions ⁽¹⁾	1,272	1,280	1,284	1,285	1,283	1,277	1,266	1,265	1,238	1,218	1,197	1,173	1,187	1,162	1,149	1,136
Claims by associated enterprises	33	96	73	100	118	132	147	167	184	243	313	331	353	440	477	658
Other liabilities	796	865	1,006	1,281	1,173	1,581	1,856	2,558	2,703	3,442	3,860	3,965	3,567	4,342	4,892	6,411
Unmatured debt	19,286	19,728	20,779	22,231	22,797	24,655	27,431	29,021	28,915	33,294	37,280	41,468	49,601	60,208	68,334	80,295
Total liabilities	21,763	22,518	23,825	25,586	25,966	28,222	31,353	33,707	33,855	39,189	43,777	48,076	55,962	71,119	78,173	92,582
Financial assets																
Currency and deposits	654	671	335	336	1,057	1,143	1,905	2,163	1,687	4,246	3,494	2,671	4,020	5,985	1,709	3,453
Receivables	7	6	6	6	8	9	10	19	20	30	52	55	77	105	153	192
Loans	1,658	1,880	2,053	2,270	2,445	2,648	3,085	3,412	4,076	4,565	5,083	5,493	6,095	6,570	7,243	7,701
Finance and other short-term paper	5	7	12	10	11	6	8	13	12	12	18	18	26	18	6	11
Mortgages	293	343	404	457	525	548	556	553	552	569	554	519	479	427	377	337
Bonds and treasury bills																
Federal government	198	482	419	544	559	511	33	39	20	20	20	31	25	19	162	85
Provincial governments	15	15	12	21	20	12	18	15	17	15	14	12	14	16	17	14
Municipal bonds	9	9	7	—	—	11	—	—	—	—	—	—	—	—	—	—
Other	10	10	8	14	19	23	25	27	29	35	39	37	36	29	30	34
Claims on associated enterprises	9,731	10,111	11,500	12,625	13,459	15,688	17,744	18,900	19,189	21,113	22,280	23,974	24,893	26,821	27,863	30,169
Stocks	7	10	15	19	26	53	76	100	127	154	187	64	58	58	54	55
Foreign investments	198	180	168	92	60	28	3	5	5	13	6	5	4	3	5	9
Other financial assets	1,508	1,573	1,533	1,763	1,433	1,208	1,394	1,602	1,921	2,838	2,930	2,456	1,911	2,300	2,883	2,303
Total financial assets	14,293	15,297	16,472	18,157	19,622	21,888	24,857	26,848	27,655	33,610	34,677	35,335	37,638	42,351	40,502	44,363
Excess of liabilities over financial assets	7,470	7,221	7,353	7,429	6,344	6,334	6,496	6,859	6,200	5,579	9,100	12,741	18,324	28,768	37,671	48,219

⁽¹⁾ This mainly represents the balance in government annuities.

Source: Statistics Canada, *Financial Flow Accounts*.

Reference Table 62
Provincial and Local Governments and Hospitals
Liabilities and Assets
Financial Flow Accounts Basis
1965 – 1980

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
	(Millions of dollars)															
Liabilities																
Payables.....	253	343	423	475	502	653	656	755	791	1,012	1,158	1,319	2,003	2,305	3,263	3,314
Loans.....	980	1,383	1,592	1,761	1,987	2,198	2,158	2,520	3,245	4,139	4,626	4,730	4,923	5,503	5,825	6,595
Finance and other short-term paper	—	—	—	—	118	174	313	435	343	230	634	318	297	537	312	639
Mortgages.....	86	99	121	190	143	159	157	177	158	168	187	136	128	109	86	71
Claims by associated enterprises	67	68	73	80	77	191	232	385	353	437	549	714	742	806	906	1,237
Other liabilities.....	1,539	1,603	1,643	1,655	1,685	1,892	1,999	1,717	2,386	2,621	2,658	3,348	3,056	3,297	3,118	2,666
Unmatured debt																
Provincial governments	6,038	6,885	8,098	9,431	10,757	12,208	13,774	15,860	17,443	19,729	23,451	27,219	31,738	36,496	40,246	45,466
Municipal governments	5,867	6,615	7,527	8,147	8,674	9,221	10,025	10,679	11,372	12,278	13,878	15,219	17,243	18,428	19,354	20,634
Other.....	281	311	342	351	391	388	400	408	412	448	474	509	536	586	645	433
Total liabilities.....	15,111	17,307	19,819	22,090	24,334	27,084	29,714	32,936	36,503	41,062	47,615	53,512	60,666	68,067	73,755	81,055
Financial assets																
Currency and deposits	677	690	647	791	1,256	1,529	1,422	2,123	2,361	2,597	1,953	2,797	3,945	5,895	8,535	8,690
Receivables	82	121	145	160	188	224	240	295	301	358	525	659	618	604	590	576
Loans.....	143	344	472	555	631	1,458	1,746	1,950	2,183	2,316	2,567	2,810	2,909	2,945	3,068	3,177
Finance and other short-term paper	13	16	14	17	21	34	45	66	79	83	85	163	185	190	187	184
Mortgages.....	260	277	284	356	462	660	924	1,103	1,291	1,580	1,922	2,281	2,545	2,584	2,587	2,772
Bonds and treasury bills																
Federal government	335	318	293	326	305	268	238	217	207	186	214	352	607	959	1,344	2,290
Provincial governments	1,406	1,555	1,647	1,712	1,919	1,889	1,892	1,994	2,136	2,452	3,248	3,921	4,989	6,084	6,492	8,694
Municipal governments	1,102	1,397	1,758	2,138	2,472	2,870	3,237	3,547	3,774	4,328	4,847	5,422	5,974	6,609	6,649	7,631
Other.....	308	434	525	692	948	238	314	303	260	286	476	744	1,057	1,210	1,289	1,388
Claims on associated enterprises	3,345	3,667	4,119	4,585	5,242	6,357	6,913	7,547	8,386	9,924	11,377	12,485	15,232	17,002	18,139	20,532
Stocks.....	15	13	16	31	45	168	173	159	124	213	229	252	264	250	271	284
Other financial assets	2,103	2,229	2,270	2,428	2,534	2,564	2,772	2,287	3,425	4,145	3,851	3,449	3,284	5,600	7,140	9,204
Total financial assets	9,789	11,061	12,190	13,791	16,023	18,259	19,916	21,591	24,527	28,468	31,294	35,335	41,609	49,932	56,291	65,422
Excess of liabilities over financial assets ..	5,322	6,246	7,629	8,299	8,311	8,825	9,798	11,345	11,976	12,594	16,321	18,177	19,057	18,135	17,464	15,633

Source: Statistics Canada, *Financial Flow Accounts*.

Reference Table 63
Government of Canada
Statement of Financial Transactions
(Fiscal year ended March 31)
1972 – 1981
Summary

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
		(Millions of dollars)								
I Budgetary transactions										
A Revenues.....	16,344	18,821	21,826	28,067	29,956	32,635	32,866	35,216	40,054	46,507
B Expenditures.....	-17,046	-19,820	-23,210	-29,800	-35,419	-38,845	-43,155	-47,442	-51,534	-59,175
Surplus or deficit (-)	-702	-999	-1,384	-1,733	-5,463	-6,210	-10,289	-12,226	-11,480	-12,668
II Non-budgetary transactions										
A Loans, investments and advances.....	-1,627	-1,210	-1,337	-1,948	-2,915	-2,151	-1,770	-1,102	-1,428	-523
B Specified purpose accounts.....	455	542	697	1,316	1,919	2,014	2,771	2,780	2,047	2,781
C Other transactions	536	359	507	226	1,685	799	839	-565	416	293
Net source or requirement (-).....	-636	-309	-133	-406	689	662	1,840	1,113	1,035	2,551
Financial requirements (excluding foreign exchange)	-1,338	-1,308	-1,517	-2,139	-4,774	-5,548	-8,449	-11,113	-10,445	-10,117
III Foreign exchange transactions	-700	-75	131	593	-5	1,281	1,186	4,262	-128	1,157
Total financial requirements ⁽¹⁾	-2,038	-1,383	-1,386	-1,546	-4,779	-4,267	-7,263	-6,851	-10,573	-8,960
IV Unmatured debt transactions ⁽²⁾	2,360	1,782	197	3,940	4,627	4,812	8,172	8,778	7,878	11,153
Change in cash balance ⁽³⁾	322	399	-1,189	2,394	-152	545	909	1,927	-2,695	2,193
V Level of cash balance at end of period	1,600	1,999	810	3,204	3,052	3,597	4,506	6,433	3,738	5,931
Canadian dollar balance	1,582	1,984	801	3,186	3,037	3,580	4,487	6,374	3,661	5,826

⁽¹⁾ Cash requirement (-).

⁽²⁾ Excluding change in unmatured debt outstanding payable in foreign currency.

⁽³⁾ Cash decrease (-).

Note: Figures for the years 1973 to 1981 reflect loan write-offs in the years in which the funds were expended rather than in the years in which the write-offs occurred. In addition, the government contribution to the Unemployment Insurance Account is treated for these years on a current basis. Undisbursed balances of appropriations to special accounts are eliminated and the unamortized portion of flotation costs of marketable bonds and Canada Savings Bonds is recorded as a charge to budgetary expenditure in the year in which the cost was incurred. Further, subscriptions and notes payable to international organizations other than the International Monetary Fund are treated as part of loans, investments and advances, and not as exchange transactions. Figures for 1972 are thus not on a strictly consistent basis with figures for 1973 to 1981. For all years the old age security transactions are treated as budgetary.

Reference Table 63 (continued)
Government of Canada
Statement of Financial Transactions
(Fiscal year ended March 31)
1972 – 1981

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
		(Millions of dollars)								
I Budgetary transactions										
A Revenues										
Personal income tax	7,227	8,378	9,226	11,710	12,709	14,634	13,988	14,656	16,808	19,837
Corporate income tax	2,396	2,920	3,710	4,836	5,748	5,363	5,280	5,654	6,951	8,106
Other direct taxes	420	353	338	434	493	451	503	568	787	894
Sales tax	2,653	3,052	3,590	3,866	3,515	3,929	4,427	4,729	4,698	5,429
Other indirect taxes	1,984	2,220	2,765	4,640	4,628	4,778	4,762	5,045	5,664	6,384
Non-tax revenues	1,664	1,898	2,197	2,581	2,863	3,480	3,906	4,564	5,146	5,857
Total revenues	16,344	18,821	21,826	28,067	29,956	32,635	32,866	35,216	40,054	46,507
B Expenditures										
Health and welfare	5,596	7,047	8,135	10,286	12,534	13,873	14,773	16,642	16,876	18,721
Economic development and support	2,167	2,451	2,903	4,290	5,474	5,120	5,624	5,174	6,462	8,118
Public debt	2,137	2,301	2,566	3,239	3,972	4,721	5,550	7,058	8,524	10,687
Defence	2,263	2,366	2,775	3,162	3,632	4,161	4,626	4,999	5,333	6,067
Fiscal transfer payments to provinces	1,245	1,304	1,678	2,399	2,378	2,966	3,101	2,921	3,424	3,643
Transportation and communications	1,023	1,217	1,691	2,213	2,357	2,658	2,910	3,130	3,214	3,633
General government services	694	813	965	1,237	1,509	1,688	1,969	2,143	2,289	2,452
Internal overhead	698	797	728	889	989	1,104	1,308	1,452	1,332	1,419
Education assistance	561	588	617	641	701	872	1,402	1,666	1,798	1,884
Culture and recreation	348	435	559	638	681	712	883	1,053	1,018	1,163
Foreign affairs	314	405	477	625	754	790	910	960	1,053	1,081
Total allocated expenditures	17,046	19,724	23,094	29,619	34,981	38,665	43,056	47,198	51,323	58,868
Provision for valuation of assets and liabilities	n.a.	96	116	181	438	180	99	244	211	307
Total expenditures	17,046	19,820	23,210	29,800	35,419	38,845	43,155	47,442	51,534	59,175
Budgetary surplus or deficit (-)	-702	-999	-1,384	-1,733	-5,463	-6,210	-10,289	-12,226	-11,480	-12,668

Reference Table 63 (continued)
Government of Canada
Statement of Financial Transactions
(Fiscal year ended March 31)
1972 – 1981

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
	(Millions of dollars)									
II Non-budgetary transactions										
A Loans, investments and advances										
Crown corporations and agencies										
Lending institutions	(-794)	(-633)	(-676)	(-1,060)	(-1,898)	(-1,612)	(-1,134)	(-626)	(-951)	(-204)
Canada Mortgage and Housing Corporation	-656	-475	-375	-735	-1,058	-837	-532	-52	-366	-66
Export Development Corporation	-118	-124	-141	-93	-357	-202	-84	-51	-44	19
Farm Credit Corporation	-30	-43	-170	-243	-297	-277	-297	-267	-307	-270
Federal Business Development Bank	—	—	—	—	-197	-307	-241	-267	-245	101
Municipal Development Loan Board	9	9	10	11	11	11	10	11	11	12
Canada Deposit Insurance Corporation	1	—	—	—	—	—	10	—	—	—
All other Crown corporations	(-431)	(-110)	(-339)	(-492)	(-925)	(-393)	(-323)	(-489)	(-373)	(537)
Air Canada	-27	14	—	-145	3	83	3	-341	16	13
Atomic Energy of Canada	-112	-59	-44	-81	-202	-149	-201	-242	-216	697
Canadian National Railways	-202	2	-205	-143	-213	-40	-99	385	-108	-8
Petro-Canada	—	—	—	—	-237	-257	-150	-280	-80	-440
Other	-90	-67	-90	-123	-276	-30	124	-11	15	275
Other loans	(-402)	(-563)	(-438)	(-577)	(-530)	(-326)	(-412)	(-231)	(-315)	(-126)
Finance-employment loans	-139	-135	-108	-67	-47	45	14	8	8	8
Regional Economic Expansion	-32	-64	-61	-52	-29	-17	4	-2	8	7
Canada Development Corporation	-25	-162	-75	-50	—	-10	—	—	—	—
Loans to developing countries	-143	-117	-141	-179	-215	-162	-198	-239	-242	-254
International organizations	n.a.	-55	-55	-97	-181	-159	-179	-173	-134	-110
Other	-63	-30	2	-132	-58	-23	-53	175	45	223
Total loans, investments and advances not including allowance	-1,627	-1,306	-1,453	-2,129	-3,353	-2,331	-1,869	-1,346	-1,639	207
Allowance for valuation	n.a.	96	116	181	438	180	99	244	211	-730
Total loans, investments and advances	-1,627	-1,210	-1,337	-1,948	-2,915	-2,151	-1,770	-1,102	-1,428	-523
B Specified purpose accounts										
Canada Pension Plan	32	43	41	53	76	98	93	124	113	173
Unemployment insurance account	-459	-370	-282	136	234	276	261	271	-150	-682
Superannuation accounts	728	859	1,001	1,261	1,502	1,656	1,888	1,956	1,966	2,307
Government annuities	-10	-13	-19	-21	-10	-1	-9	-10	-14	-15
Other	12	4	8	12	20	24	34	36	28	29
Total annuity, insurance and pension accounts	303	523	749	1,441	1,822	2,053	2,267	2,377	1,943	1,812
Provincial tax collection account	130	8	-44	-196	67	-121	330	366	118	728
Other deposit and trust accounts	22	11	-8	71	30	82	174	37	-14	241
Total deposit and trust accounts	152	19	-52	-125	97	-39	504	403	104	969
Total specified purpose accounts	455	542	697	1,316	1,919	2,014	2,771	2,780	2,047	2,781

Reference Table 63 (continued)
Government of Canada
Statement of Financial Transactions
(Fiscal year ended March 31)
1972 – 1981

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
	(Millions of dollars)									
C Other transactions										
Interest and matured debt	320	349	294	455	667	696	904	- 509	- 38	186
Accounts payable and accrued salaries	81	105	444	- 109	- 33	623	- 521	214	91	772
Cash in transit	71	- 104	- 854	- 72	665	- 169	- 188	3	- 130	- 693
Outstanding cheques, warrants and money orders	131	16	539	5	366	- 361	632	- 243	506	9
Other	- 67	- 7	84	- 53	20	10	12	- 30	- 13	19
Total other transactions	536	359	507	226	1,685	799	839	- 565	416	293
Total non-budgetary requirements	- 636	- 309	- 133	- 406	689	662	1,840	1,113	1,035	2,551
III Foreign exchange transactions										
Source or requirement (-)										
Exchange fund account	- 938	- 125	175	673	39	1,537	248	- 2,375	2,143	1,263
International Monetary Fund										
Subscriptions	7	- 51	- 105	44	- 89	110	- 310	- 482	- 7	- 930
Notes payable	115	103	137	- 74	73	- 364	260	690	39	715
Other international organizations										
Subscriptions, advances and loans	- 51									
Notes payable	26									
Unmatured debt payable in foreign currency	- 2	- 2	- 76	- 50	- 28	- 2	855	6,186	- 2,516	- 66
Special Drawing Rights	117	—	—	—	—	—	133	243	213	175
Columbia River Treaty	26	—	—	—	—	—	—	—	—	—
Total foreign exchange transactions ..	- 700	- 75	131	593	- 5	1,281	1,186	4,262	- 128	1,157
IV Unmatured debt transactions										
Increase or decrease (-)										
Marketable bonds	363	36	93	672	1,137	2,265	3,439	8,146	6,417	7,834
Treasury bills	95	460	615	725	865	1,760	3,040	2,240	2,790	5,445
Canada Savings Bonds	1,907	1,277	- 583	2,509	2,602	787	1,707	1,236	- 1,166	- 2,269
Securities issued to Canada Pension Plan	7	7	8	9	10	10	12	12	17	23
Notes and loans payable in foreign currencies	—	—	—	—	—	—	850	3,390	- 2,528	- 5
Less:										
Unmatured debt payable in foreign currency	2	2	76	50	28	2	- 855	- 6,186	2,516	66
Canada Savings Bonds held for employees	1	- 8	- 4	- 13	- 1	- 5	- 7	- 15	- 6	- 1
Securities issued to Canada Pension Plan	- 7	- 7	- 8	- 9	- 10	- 10	- 12	- 12	- 17	- 23
Securities investment account ⁽¹⁾	- 8	15	—	- 3	- 4	3	- 2	- 33	- 145	83
Total unmatured debt transactions	2,360	1,782	197	3,940	4,627	4,812	8,172	8,778	7,878	11,153
V Level of cash balance at end of period										
In Canadian dollars	1,582	1,984	801	3,186	3,037	3,580	4,487	6,374	3,661	5,826
In foreign currency	18	15	9	18	15	17	19	59	77	105

⁽¹⁾ Including investments held for retirement of unmatured debt.

Note: For 1973 to 1981, subscriptions to international organisations (net of notes payable) are classified in the loans, investments and advances category and are not treated as exchange transactions.

Source: Public Accounts of Canada and Department of Finance.

Reference Table 64
Government of Canada
Liabilities and Assets
Public Accounts Presentation
(As at March 31)
1927 – 1981

	1927	1937	1947	1952	1957	1962	1967	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
								(Millions of dollars)									
Liabilities																	
Specified purpose accounts..	109	243	1,060	2,081	3,240	3,929	6,953	9,939	10,851	11,829	13,014	14,690	16,432	19,237	22,017	24,064	26,845
Foreign liabilities	538	859	160	397	351	130	366	335	334	258	208	166	164	1,019	7,205	4,690	4,624
Other liabilities ⁽²⁾	181	24	804	758	1,156	1,025	1,700	3,106	3,457	4,783	5,025	5,787	6,971	7,906	7,336	7,851	8,818
Unmatured debt—net of own holdings																	
Marketable bonds	2,436	3,125	13,601	11,431	9,144	10,861	11,188	13,665	13,716	13,809	14,480	15,609	17,877	21,314	29,427	35,699	43,616
Canada Savings Bonds	—	—	483	1,059	2,421	4,042	5,981	9,669	10,938	10,351	12,848	15,444	16,226	17,926	19,147	17,975	15,705
Treasury bills	—	150	1,280	1,400	1,625	1,865	2,310	3,830	4,290	4,905	5,630	6,495	8,255	11,295	13,535	16,325	21,770
Notes payable to Canadi- an banks	—	—	—	—	—	—	—	—	—	—	—	—	—	850	4,240	1,712	1,707
Total unmatuured debt held by outside parties	2,436	3,275	15,364	13,890	13,190	16,788	19,479	27,164	28,944	29,065	32,958	37,548	42,358	51,385	66,349	71,711	82,798
Less: unmatuured debt pay- able in foreign currency	538	859	160	397	351	130	366	335	334	258	208	166	164	1,019	7,205	4,690	4,624
Total unmatuured debt pay- able in Canadian currency	1,898	2,416	15,204	13,493	12,839	16,658	19,113	26,829	28,610	28,807	32,750	37,382	42,194	50,366	59,144	67,021	78,174
Total liabilities ⁽¹⁾	2,726	3,542	17,228	16,729	17,586	21,742	28,132	40,209	43,252	45,677	50,997	58,025	65,761	78,528	95,702	103,626	118,461
Assets																	
Loans, investments and advances ⁽²⁾	243	429	2,805	3,890	4,281	5,994	8,903	13,957	15,425	17,008	18,772	21,177	23,272	24,984	26,083	27,480	27,984
Foreign assets	—	—	1,025	1,950	2,183	2,095	3,148	5,537	5,610	5,403	4,760	4,737	3,454	3,123	5,048	2,660	1,437
Other assets	135	29	350	—296	113	426	546	1,904	2,407	2,072	4,538	3,721	4,435	5,532	7,456	4,891	7,777
Total assets	378	458	4,180	5,544	6,577	8,515	12,597	21,398	23,442	24,483	28,070	29,635	31,161	33,639	38,587	35,031	37,198
Excess of recorded liabilities over recorded assets ⁽¹⁾	2,348	3,084	13,048	11,185	11,009	13,227	15,535	18,811	19,810	21,194	22,927	28,390	34,600	44,889	57,115	68,595	81,263

(1) Total liabilities are normally referred to as the gross debt of Canada whereas the excess of recorded liabilities over recorded assets is normally referred to as the net debt of Canada
(2) Includes internal accounts.

Note: The liabilities and assets for the years 1972 to 1981 are adjusted to charge loan write-offs and provisions in the years in which the funds were expended rather than the years in which the write-offs or provisions were made. In addition, the government contribution to the Unemployment Insurance Account is treated for these years on a current basis. Undisbursed balances of appropriations to special accounts are eliminated and the unamortized portion of flotation costs of marketable bonds and Canada Savings Bonds is recorded as a charge to budgetary expenditure in the year in which the cost was incurred. Further, subscriptions and notes payable to international organizations other than the International Monetary Fund are treated as part of loans, investments and advances, and not as exchange transactions. Figures for the years prior to 1972 are thus not on a strictly consistent basis with figures for 1972 to 1981. For all years the old age security transactions are treated as budgetary.

Source: Public Accounts of Canada and Department of Finance.

Reference Table 65

Allocation of Revenues from Own Sources, by Levels of Government 1945 – 1981

Year	Revenues from own sources ⁽¹⁾				Percentage distribution		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Federal	Provincial	Local	Total (a) + (b) + (c)	Federal (a) ÷ (d)	Provincial (b) ÷ (d)	Local (c) ÷ (d)
	(Millions of dollars)				(Per cent)		
1945	2,385	538	415	3,338	71.4	16.1	12.4
1946	2,555	619	440	3,614	70.7	17.1	12.2
1947	2,696	780	485	3,961	68.1	19.7	12.2
1948	2,681	879	540	4,100	65.4	21.4	13.2
1949	2,659	925	583	4,167	63.8	22.2	14.0
1950	2,972	1,013	649	4,634	64.1	21.9	14.0
1951	4,113	1,194	746	6,053	67.9	19.7	12.3
1952	4,492	1,320	850	6,662	67.4	19.8	12.8
1953	4,563	1,410	922	6,895	66.2	20.4	13.4
1954	4,344	1,481	994	6,819	63.7	21.7	14.6
1955	4,745	1,640	1,073	7,458	63.6	22.0	14.4
1956	5,411	1,865	1,220	8,496	63.7	22.0	14.4
1957	5,455	2,075	1,357	8,887	61.4	23.3	15.3
1958	5,163	2,216	1,489	8,868	58.2	25.0	16.8
1959	5,871	2,489	1,686	10,046	58.4	24.8	16.8
1960	6,228	2,629	1,853	10,710	58.2	24.5	17.3
1961	6,473	2,860	1,982	11,315	57.2	25.3	17.5
1962	6,899	3,396	2,142	12,437	55.5	27.3	17.2
1963	7,323	3,639	2,286	13,248	55.3	27.5	17.3
1964	8,355	4,189	2,396	14,940	55.9	28.0	16.0
1965	9,095	4,949 ⁽²⁾	2,646	16,690	54.5	29.7	15.9
1966	9,984	5,782	2,956	18,722	53.3	30.9	15.8
1967	10,906	6,782	3,298	20,986	52.0	32.3	15.7
1968	12,218	7,966	3,658	23,842	51.2	33.4	15.3
1969	14,490	9,293	4,067	27,850	52.0	33.4	14.6
1970	15,528	10,548	4,438	30,514	50.9	34.6	14.5
1971	17,241	11,744	4,748	33,733	51.1	34.8	14.1
1972	19,560	13,253	5,214	38,027	51.4	34.9	13.7
1973	22,809	15,880	5,582	44,271	51.5	35.9	12.6
1974	29,978	20,039	6,247	56,264	53.3	35.6	11.1
1975	31,703	22,253	7,303	61,259	51.8	36.3	11.9
1976	35,313	25,974	8,674	69,961	50.5	37.1	12.4
1977	36,509	31,055	9,795	77,359	47.2	40.1	12.7
1978	38,325	35,782	10,915	85,022	45.1	42.1	12.8
1979	43,461	40,096	12,018	95,575	45.5	42.0	12.6
1980	50,076	45,260	13,338	108,674	46.1	41.6	12.3
1981	63,984	51,388	14,870	130,242	49.1	39.5	11.4
1973 ⁽³⁾	22,726	15,880	5,582	44,188	51.4	35.9	12.6
1974 ⁽³⁾	28,360	20,039	6,247	54,646	51.9	36.7	11.4
1975 ⁽³⁾	30,582	22,253	7,303	60,138	50.9	37.0	12.1
1976 ⁽³⁾	34,613	25,974	8,674	69,261	50.0	37.5	12.5
1977 ⁽³⁾	36,033	31,055	9,795	76,883	46.9	40.4	12.7
1978 ⁽³⁾	38,031	35,782	10,915	84,728	44.9	42.2	12.9
1979 ⁽³⁾	42,743	40,096	12,018	94,857	45.1	42.3	12.7
1980 ⁽³⁾	49,226	45,260	13,338	107,824	45.7	42.0	12.4
1981 ⁽³⁾	63,009	51,388	14,870	129,267	48.7	39.8	11.5

⁽¹⁾ Tax rental payments are assumed to be a provincial revenue from own sources and have been deducted from "federal revenues from own sources".

⁽²⁾ The value of the federal tax abatements in Quebec, introduced in 1965 under the *Established Programs (Interim Arrangements) Act* (contracting-out arrangements), is included as a provincial revenue from own sources.

⁽³⁾ Revenues excluding federal oil export charge.

Source: Statistics Canada, *National Income and Expenditure Accounts*, Vol. 1, *The Annual Estimates 1926-1974*, cat. 13-531; and *National Income and Expenditure Accounts*.

Reference Table 66
Intergovernmental Transfers
1945 – 1981

Year	Transfers from				Revenue from own sources ⁽¹⁾			Federal transfers			Total transfers
	(a) Federal to provincial governments ⁽¹⁾	(b) Federal to local governments	(c) Provincial to local governments	(d) Local to provincial governments	(e) Federal	(f) Provin- cial	(g) Local	(h) As a % of federal revenues (a) + (b)) ÷ (e)	(i) To provinces as a % of provincial revenues (a) ÷ (f)	(j) To local govern- ments as a % of local revenues (b) ÷ (g)	(k) Received by local governments as a % of local revenues ((b) + (c)) ÷ (g)
D	40374	40375	40376	40378							
	(Millions of dollars)				(Per cent)						
1945.....	76	—	63	7	2,385	538	415	3.2	14.1	—	15.2
1946.....	97	—	79	7	2,555	619	440	3.8	15.7	—	18.0
1947.....	112	—	101	7	2,696	780	485	4.2	14.4	—	20.8
1948.....	114	—	129	9	2,681	879	540	4.3	13.0	—	23.9
1949.....	147	—	157	10	2,659	925	583	5.5	15.9	—	26.9
1950.....	202	1	171	11	2,972	1,013	649	6.8	19.9	0.2	26.5
1951.....	205	2	197	13	4,113	1,194	746	5.0	17.2	0.3	26.7
1952.....	170	3	215	13	4,492	1,320	850	3.9	12.9	0.4	25.6
1953.....	163	3	242	15	4,563	1,410	922	3.6	11.6	0.3	26.6
1954.....	164	2	259	15	4,344	1,481	994	3.8	11.1	0.2	26.3
1955.....	180	7	327	22	4,745	1,640	1,073	3.9	11.0	0.7	31.1
1956.....	189	9	362	18	5,411	1,865	1,220	3.7	10.1	0.7	30.4
1957.....	288	16	452	28	5,455	2,075	1,357	5.6	13.9	1.2	34.5
1958.....	394	23	545	17	5,163	2,216	1,489	8.1	17.8	1.5	38.1
1959.....	588	24	622	24	5,871	2,489	1,686	10.4	23.6	1.4	38.3
1960.....	673	32	714	17	6,228	2,629	1,853	11.3	25.6	1.7	40.3
1961.....	789	33	841	15	6,473	2,860	1,982	12.7	27.6	1.7	44.1
1962.....	1,010	44	1,063	15	6,899	3,396	2,142	15.3	29.7	2.1	51.7
1963.....	1,117	52	1,148	17	7,323	3,639	2,286	16.0	30.7	2.3	52.5
1964.....	1,199	53	1,289	18	8,355	4,189	2,396	15.0	28.6	2.2	56.0
1965.....	1,357	74	1,440	22	9,095	4,949	2,646	15.7	27.4	2.8	57.2
1966.....	1,556	108	1,760	37	9,984	5,782	2,956	16.7	26.9	3.7	63.2
1967.....	1,895	97	2,025	56	10,906	6,782	3,298	18.3	27.9	2.9	64.3
1968.....	2,280	92	2,262	40	12,218	7,966	3,658	19.4	28.6	2.5	64.4
1969.....	2,632	94	2,501	46	14,490	9,293	4,067	18.8	28.3	2.3	63.8
1970.....	3,303	94	3,098	44	15,528	10,548	4,438	21.9	31.3	2.1	71.9
1971.....	4,230	93	3,490	44	17,241	11,744	4,748	25.1	36.0	2.0	75.5
1972.....	4,400	158	3,911	49	19,560	13,253	5,214	23.3	33.2	3.0	78.0
1973.....	4,694	113	4,388	40	22,809	15,880	5,582	21.1	29.6	2.0	80.6
1974.....	6,013	152	5,156	41	29,978	20,039	6,247	20.6	30.0	2.4	85.0
1975.....	7,527	143	6,560	50	31,703	22,253	7,303	24.2	33.8	2.0	91.8
1976.....	8,318	204	7,163	51	35,313	25,974	8,674	24.1	32.0	2.4	84.9
1977.....	9,615	352	8,845	50	36,509	31,055	9,795	27.3	31.0	3.6	93.9
1978.....	10,527	348	9,059	47	38,325	35,782	10,915	28.4	29.4	3.2	86.2
1979.....	11,419	335	10,958	48	43,461	40,096	12,018	27.0	28.5	2.8	94.0
1980.....	12,533	295	11,438	59	50,076	45,260	13,338	25.6	27.7	2.2	88.0
1981.....	13,765	295	12,776	121	63,984	51,388	14,870	22.0	26.8	2.0	87.9

⁽¹⁾ Tax rental payments are assumed to be a "provincial revenue from own sources" and are not included in federal transfers to provincial governments.
Source: Statistics Canada, *National Income and Expenditure Accounts*, Vol. 1, *The Annual Estimates 1926-1974*; and *National Income and Expenditure Accounts*.

Reference Table 67

Allocations of Revenues After Transfers, by Levels of Government 1945 – 1981⁽¹⁾

Year	Revenues after transfers				Percentage distribution		
	(a) Federal	(b) Provincial	(c) Local	(d) Total (a) + (b) + (c)	(e) Federal (a) ÷ (d)	(f) Provincial (b) ÷ (d)	(g) Local (c) ÷ (d)
(Millions of dollars)							
1945	2,309	558	471	3,338	69.2	16.7	14.1
1946	2,458	644	512	3,614	68.0	17.8	14.2
1947	2,584	798	579	3,961	65.2	20.1	14.6
1948	2,567	873	660	4,100	62.6	21.3	16.1
1949	2,512	925	730	4,167	60.3	22.2	17.5
1950	2,769	1,055	810	4,634	59.8	22.8	17.5
1951	3,906	1,215	932	6,053	64.5	20.1	15.4
1952	4,319	1,288	1,055	6,662	64.8	19.3	15.8
1953	4,397	1,346	1,152	6,895	63.8	19.5	16.7
1954	4,178	1,401	1,240	6,819	61.3	20.5	18.2
1955	4,558	1,515	1,385	7,458	61.1	20.3	18.6
1956	5,213	1,710	1,573	8,496	61.4	20.1	18.5
1957	5,151	1,939	1,797	8,887	58.0	21.8	20.2
1958	4,746	2,082	2,040	8,868	53.5	23.5	23.0
1959	5,259	2,479	2,308	10,046	52.3	24.7	23.0
1960	5,523	2,605	2,582	10,710	51.6	24.3	24.1
1961	5,651	2,823	2,841	11,315	49.9	24.9	25.1
1962	5,845	3,358	3,234	12,437	47.0	27.0	26.0
1963	6,154	3,625	3,469	13,248	46.5	27.4	26.2
1964	7,103	4,117	3,720	14,940	47.5	27.6	24.9
1965	7,664	4,888	4,138	16,690	45.9	29.3	24.8
1966	8,320	5,615	4,787	18,722	44.4	30.0	25.6
1967	8,914	6,708	5,364	20,986	42.5	32.0	25.6
1968	9,846	8,024	5,972	23,842	41.3	33.7	25.0
1969	11,764	9,470	6,616	27,850	42.2	34.0	23.8
1970	12,131	10,797	7,586	30,514	39.8	35.4	24.9
1971	12,918	12,528	8,287	33,733	38.3	37.1	24.6
1972	15,002	13,791	9,234	38,027	39.5	36.3	24.3
1973	18,002	16,226	10,043	44,271	40.7	36.7	22.7
1974	23,813	20,937	11,514	56,264	42.3	37.2	20.5
1975	24,033	23,270	13,956	61,259	39.2	38.0	22.8
1976	26,791	27,180	15,990	69,961	38.3	38.9	22.9
1977	26,542	31,875	18,942	77,359	34.3	41.2	24.5
1978	27,450	37,297	20,275	85,022	32.3	43.9	23.8
1979	31,707	40,605	23,263	95,575	33.2	42.5	24.3
1980	37,248	46,414	25,012	108,674	34.3	42.7	23.0
1981	49,924	52,498	27,820	130,242	38.3	40.3	21.4
1973 ⁽²⁾	17,919	16,226	10,043	44,188	40.6	36.7	22.7
1974 ⁽²⁾	22,195	20,937	11,514	54,646	40.6	38.3	21.1
1975 ⁽²⁾	22,912	23,270	13,956	60,138	38.1	38.7	23.2
1976 ⁽²⁾	26,091	27,180	15,990	69,261	37.7	39.2	23.1
1977 ⁽²⁾	26,066	31,875	18,942	76,883	33.9	41.5	24.6
1978 ⁽²⁾	27,156	37,297	20,275	84,728	32.1	44.0	23.9
1979 ⁽²⁾	30,989	40,605	23,263	94,857	32.7	42.8	24.5
1980 ⁽²⁾	36,398	46,414	25,012	107,824	33.8	43.0	23.2
1981 ⁽²⁾	48,949	52,498	27,820	129,267	37.9	40.6	21.5

(1) Transfers between levels of government subtracted from revenues of governments which pay and added to revenues of governments which receive.

(2) Revenues excluding federal oil export charge.

Source: Statistics Canada, *National Income and Expenditure Accounts*, Vol. 1, *The Annual Estimates 1926-1974*; and *National Income and Expenditure Accounts*.

Reference Table 68
Allocation of Expenditures by Levels of Government
Before and After Transfer Payments
1926 – 1981⁽¹⁾

Years	Before transfer payments ⁽²⁾			After transfer payments ⁽³⁾				Before transfer payments			After transfer payments		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	Federal share	Provincial share	Local share	Federal share	Provincial share	Local share
	Total federal expenditures	Total provincial expenditures	Total local expenditures	Total federal expenditures	Total provincial expenditures	Total local expenditures	Total government expenditures (d) + (e) + (f)	(a) ÷ (g)	(b) ÷ (g)	(c) ÷ (g)	(d) ÷ (g)	(e) ÷ (g)	(f) ÷ (g)
(Millions of dollars)													
(Per cent)													
Pre-tax-rental era:													
1926	321	166	323	306	164	340	810	39.6	20.5	39.9	37.8	20.2	42.0
1927	336	181	342	320	177	362	859	39.1	21.1	39.8	37.3	20.6	42.1
1928	344	207	347	327	202	369	898	38.3	23.1	38.6	36.4	22.5	41.1
1929	362	240	389	345	234	412	991	36.5	24.2	39.3	34.8	23.6	41.6
1930	389	276	434	364	275	460	1099	35.4	25.1	39.5	33.1	25.0	41.9
1931	409	286	421	353	298	465	1116	36.6	25.6	37.7	31.6	26.7	41.7
1932	387	261	399	325	295	427	1047	37.0	24.9	38.1	31.0	28.2	40.8
1933	380	240	336	324	286	346	956	39.7	25.1	35.1	33.9	29.9	36.2
1934	409	300	332	338	355	348	1041	39.3	28.8	31.9	32.5	34.1	33.4
1935	453	307	333	379	369	345	1093	41.4	28.1	30.5	34.7	33.8	31.6
1936	459	297	331	368	371	348	1087	42.2	27.3	30.5	33.9	34.1	32.0
1937	476	364	333	371	448	354	1173	40.6	31.0	28.4	31.6	38.2	30.2
1938	524	394	336	438	457	359	1254	41.8	31.4	26.8	34.9	36.4	28.6
1939	483	382	340	404	436	365	1205	40.1	31.7	28.2	33.5	36.2	30.3
1940	1024	330	335	954	378	357	1689	60.6	19.5	19.8	56.5	22.4	21.1
1941	1550	354	333	1496	384	357	2237	69.3	15.8	14.9	66.9	17.2	16.0
Tax-rental era:													
1942	3680	334	332	3615	369	362	4346	84.7	7.7	7.6	83.2	8.5	8.3
1943	4323	359	340	4264	385	373	5022	86.1	7.1	6.8	84.9	7.7	7.4
1944	5233	397	350	5165	414	401	5980	87.5	6.6	5.9	86.4	6.9	6.7
1945	4217	446	366	4141	466	422	5029	83.9	8.9	7.3	82.3	9.3	8.4
1946	2800	526	425	2703	551	497	3751	74.6	14.0	11.3	72.1	14.7	13.2
1947	2009	685	504	1897	703	598	3198	62.8	21.4	15.8	59.3	22.0	18.7
1948	1916	864	598	1802	858	718	3378	56.7	25.6	17.7	53.3	25.4	21.3
1949	2175	983	666	2028	983	813	3824	56.9	25.7	17.4	53.0	25.7	21.3
1950	2322	1017	741	2119	1059	902	4080	56.9	24.9	18.2	51.9	26.0	22.1
1951	3142	1190	895	2935	1211	1081	5227	60.1	22.8	17.1	56.2	23.2	20.7
1952	4297	1259	1049	4124	1227	1254	6605	65.1	19.1	15.9	62.4	18.6	19.0
1953	4412	1303	1097	4246	1239	1327	6812	64.8	19.1	16.1	62.3	18.2	19.5
1954	4390	1428	1273	4224	1348	1519	7091	61.9	20.1	18.0	59.6	19.0	21.4
1955	4543	1612	1343	4356	1487	1655	7498	60.6	21.5	17.9	58.1	19.8	22.1
1956	4813	1909	1502	4615	1754	1855	8224	58.5	23.2	18.3	56.1	21.3	22.6
1957	5205	2059	1642	4901	1923	2082	8906	58.4	23.1	18.4	55.0	21.6	23.4
1958	5930	2266	1750	5513	2132	2301	9946	59.6	22.8	17.6	55.4	21.4	23.1
1959	6210	2502	1935	5598	2492	2557	10647	58.3	23.5	18.2	52.6	23.4	24.0
1960	6457	2842	2081	5752	2818	2810	11380	56.7	25.0	18.3	50.5	24.8	24.7
1961	6883	3141	2110	6061	3104	2969	12134	56.7	25.9	17.4	50.0	25.6	24.5

Reference Table 68 (continued)
Allocation of Expenditures by Levels of Government
Before and After Transfer Payments
1926 – 1981⁽¹⁾

Years	Before transfer payments ⁽²⁾			After transfer payments ⁽³⁾				Before transfer payments			After transfer payments		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	Federal share	Provincial share	Local share	Federal share	Provincial share	Local share
	Total federal expenditures	Total provincial expenditures	Total local expenditures	Total federal expenditures	Total provincial expenditures	Total local expenditures	Total government expenditures (d) + (e) + (f)	(a) ÷ (g)	(b) ÷ (g)	(c) ÷ (g)	(d) ÷ (g)	(e) ÷ (g)	(f) ÷ (g)
(Millions of dollars)													
(Per cent)													
Post-tax-rental era:													
1962	7406	3452	2277	6352	3414	3369	13135	56.4	26.3	17.3	48.4	26.0	25.6
1963	7609	3738	2484	6440	3724	3667	13831	55.0	27.0	18.0	46.6	26.9	26.5
1964	8010	4270	2537	6758	4198	3861	14817	54.1	28.8	17.1	45.6	28.3	26.1
1965	8551	4949	3013	7120	4888	4505	16513	51.8	30.0	18.2	43.1	29.6	27.3
1966	9753	5956	3283	8089	5789	5114	18992	51.4	31.4	17.3	42.6	30.5	26.9
1967	10990	7116	3635	8998	7042	5701	21741	50.5	32.7	16.7	41.4	32.4	26.2
1968	12229	8022	4094	9857	8080	6408	24345	50.2	33.0	16.8	40.5	33.2	26.3
1969	13469	8974	4609	10743	9151	7158	27052	49.8	33.2	17.0	39.7	33.8	26.5
1970	15262	10777	4908	11865	11026	8056	30947	49.3	34.8	15.9	38.3	35.6	26.0
1971	17386	12214	5263	13063	12998	8802	34863	49.9	35.0	15.1	37.5	37.3	25.2
1972	20126	13944	5385	15568	14482	9405	39455	51.0	35.3	13.6	39.5	36.7	23.8
1973	22422	15982	6067	17615	16328	10528	44471	50.4	35.9	13.6	39.6	36.7	23.7
1974	28869	19387	7066	22704	20285	12333	55322	52.2	35.0	12.8	41.0	36.7	22.3
1975	35508	24009	7871	27838	25026	14524	67388	52.7	35.6	11.7	41.3	37.1	21.6
1976	38704	27517	9443	30182	28723	16759	75664	51.2	36.4	12.5	39.9	38.0	22.1
1977	43812	31789	9636	33845	32609	18783	85237	51.4	37.3	11.3	39.7	38.3	22.0
1978	48979	34733	11052	38104	36248	20412	94764	51.7	36.7	11.7	40.2	38.3	21.5
1979	52674	39324	11229	40920	39833	22474	103227	51.0	38.1	10.9	39.6	38.6	21.8
1980	60773	43695	13240	47945	44849	24914	117708	51.6	37.1	11.2	40.7	38.1	21.2
1981	71488	48695	15122	57428	49805	28072	135305	52.8	36.0	11.2	42.4	36.8	20.7
1974 ⁽⁴⁾	27983	19387	7066	21818	20285	12333	54436	51.4	35.6	13.0	40.1	37.3	22.7
1975 ⁽⁴⁾	33817	24009	7871	26147	25026	14524	65697	51.5	36.5	12.0	39.8	38.1	22.1
1976 ⁽⁴⁾	37650	27517	9443	29128	28723	16759	74610	50.5	36.9	12.7	39.0	38.5	22.5
1977 ⁽⁴⁾	42890	31789	9636	32923	32609	18783	84315	50.9	37.7	11.4	39.0	38.7	22.3
1978 ⁽⁴⁾	48276	34733	11052	37401	36248	20412	94061	51.3	36.9	11.7	39.8	38.5	21.7
1979 ⁽⁴⁾	51244	39324	11229	39490	39833	22474	101797	50.3	38.6	11.0	38.8	39.1	22.1
1980 ⁽⁴⁾	56848	43695	13240	44020	44849	24914	113783	50.0	38.4	11.6	38.7	39.4	21.9
1981 ⁽⁴⁾	67225	48695	15122	53165	49805	28072	131042	51.3	37.2	11.5	40.6	38.0	21.4

(1) Includes conditional, unconditional and other types of transfer payments.

(2) Transfers between levels of government are attributed to the government who makes them.

(3) Transfers between levels of government are subtracted from expenditures of paying government and added to expenditures of recipient government.

(4) Expenditures excluding federal oil import subsidy, and Petroleum Compensation Revolving Fund.

Source: Statistics Canada, *National Income and Expenditure Accounts*, Vol. 1, *The Annual Estimates 1926-1974*, and *National Income and Expenditure Accounts*.

Reference Table 69
Summary of Balance of Payments
1947 – 1981

Years	Merchan- dise exports	Merchan- dise imports	Merchan- dise trade balance	Service receipts	Service payments	Balance on goods and services	Net transfers	Balance on current account	Net capital movements inflows and outflows (–)		Special Drawing Rights alloca- tions	Net official monetary move- ments ⁽²⁾
									Long- term forms	Short- term forms ⁽¹⁾		
D	50501	50526	50502	50544	50557	50558	50687	50555	50710	50688	50710	50712
(Millions of dollars)												
1947	2,723	2,535	188	939	1,057	70	–21	49	–721	4	—	–668
1948	3,030	2,598	432	1,015	1,022	425	26	451	43	–2	—	492
1949	2,989	2,696	293	1,015	1,157	151	26	177	–29	–20	—	128
1950	3,139	3,132	7	1,019	1,360	–334	15	–319	610	431	—	722
1951	3,950	4,101	–151	1,102	1,479	–528	16	–512	666	–98	—	56
1952	4,339	3,854	485	1,217	1,516	186	1	187	455	–605	—	37
1953	4,152	4,212	–60	1,216	1,594	–438	–10	–448	649	–239	—	–38
1954	3,934	3,916	18	1,191	1,627	–418	–6	–424	599	–51	—	124
1955	4,332	4,543	–211	1,405	1,847	–653	–34	–687	414	229	—	–44
1956	4,837	5,565	–728	1,500	2,099	–1,327	–45	–1,372	1,490	–70	—	48
1957	4,894	5,488	–594	1,472	2,278	–1,400	–51	–1,451	1,320	26	—	–105
1958	4,890	5,066	–176	1,420	2,256	–1,012	–125	–1,137	1,153	93	—	109
1959	5,151	5,572	–421	1,503	2,456	–1,374	–113	–1,487	1,179	297	—	–11
1960	5,392	5,540	–148	1,590	2,549	–1,107	–126	–1,233	929	265	—	–39
1961	5,889	5,716	173	1,735	2,764	–856	–72	–928	930	290	—	292
1962	6,387	6,203	184	1,847	2,842	–811	–19	–830	688	296	—	154
1963	7,082	6,579	503	1,986	2,982	–493	–28	–521	637	29	—	145
1964	8,238	7,537	701	2,265	3,376	–410	–14	–424	750	38	—	364
1965	8,745	8,627	118	2,437	3,714	–1,159	29	–1,130	833	455	—	158
1966	10,326	10,102	224	2,719	4,157	–1,214	52	–1,162	1,228	–425	—	–359
1967	11,338	10,772	566	3,325	4,462	–571	72	–499	1,415	–896	—	20
1968	13,720	12,249	1,471	3,070	4,822	–281	184	–97	1,669	–1,223	—	349
1969	15,035	14,071	964	3,695	5,719	–1,060	143	–917	2,337	–1,355	—	65
1970	16,921	13,869	3,052	4,246	6,345	953	153	1,106	1,007	–583	133	1,663
1971	17,877	15,314	2,563	4,304	6,702	165	266	431	664	–318	119	896
1972	20,129	18,272	1,857	4,451	6,978	–670	284	–386	1,588	–983	117	336
1973	25,461	22,726	2,735	5,257	8,228	–236	344	108	628	–1,203	—	–467
1974	32,591	30,902	1,689	6,401	10,107	–2,017	557	–1,460	1,041	443	—	24
1975	33,511	33,962	–451	6,941	11,627	–5,137	380	–4,757	3,935	417	—	–405
1976	37,995	36,607	1,388	7,606	13,366	–4,372	530	–3,842	8,007	–3,643	—	522
1977	44,253	41,523	2,730	8,295	15,739	–4,714	413	–4,301	4,217	–1,337	—	–1,421
1978	53,054	49,047	4,007	9,931	18,923	–4,985	50	–4,935	3,081	–1,445	—	–3,299
1979	65,275	61,125	4,150	11,812	21,546	–5,584	690	–4,894	2,099	4,484	219	1,908
1980	76,170	68,360	7,810	14,088	25,083	–3,185	1,281	–1,904	1,305	–898	217	–1,280
1981	84,140	77,504	6,636	14,859	29,673	–8,178	1,602	–6,576	1,340	6,452	210	1,426

⁽¹⁾ Includes net errors and omissions.

⁽²⁾ Net official monetary movements include transactions in official international reserves and official monetary liabilities.

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001.

Reference Table 70
Bilateral Payments Balance with the United States
1947 – 1981

Years	Merchandise trade balance	Balance on goods and services	Balance on current account	Net capital movements inflows and outflows (–)		Net balance
				Long-term forms	Short-term forms	
D	5 1551	5 1558	5 1555	5 1687	5 1688	5 1690
(Millions of dollars)						
1947	– 890	– 1, 115	– 1, 134	– 158	– 5	– 1,297
1948	– 289	– 374	– 393	126	– 15	– 282
1949	– 378	– 575	– 601	116	– 52	– 537
1950	– 50	– 369	– 385	625	220	460
1951	– 520	– 922	– 945	560	– 66	– 451
1952	– 473	– 791	– 830	387	– 104	– 547
1953	– 590	– 869	– 907	440	– 75	542
1954	– 440	– 762	– 800	395	54	– 351
1955	– 685	– 981	– 1,029	209	127	– 693
1956	– 1, 167	– 1,583	– 1,650	1,034	– 167	– 783
1957	– 947	– 1,497	– 1,579	963	– 263	– 879
1958	– 532	– 1,109	– 1,167	950	– 16	– 233
1959	– 536	– 1,149	– 1,221	927	68	– 226
1960	– 673	– 1,266	– 1,359	746	127	– 486
1961	– 615	– 1,257	– 1,341	953	205	– 183
1962	– 438	– 1,019	– 1,092	680	536	124
1963	– 488	– 1,070	– 1,148	843	– 49	– 354
1964	– 808	– 1,565	– 1,635	943	580	– 112
1965	– 1,041	– 1,883	– 1,937	1,074	– 398	– 1,261
1966	– 993	– 2,001	– 2,030	1,393	– 291	– 928
1967	– 569	– 1,301	– 1,342	1,317	– 265	– 290
1968	389	– 744	– 747	1,151	– 639	– 235
1969	472	– 877	– 845	1,669	– 239	585
1970	1, 121	– 227	– 165	989	47	871
1971	1,445	– 215	– 86	877	1,867	2,658
1972	1,513	– 272	– 137	1,059	– 201	721
1973	1,242	– 930	– 834	1, 134	– 605	– 305
1974	1,001	– 1,639	– 1,530	1,653	1,628	1,751
1975	– 1, 125	– 4,903	– 4,810	3,292	2, 104	586
1976	519	– 4,165	– 4,090	4,636	– 15	531
1977	1,496	– 4, 161	– 4, 115	2,227	453	– 1,435
1978	2,580	– 4,549	– 4,474	2,685	2, 171	382
1979	327	– 7,879	– 7,777	715	2,962	– 4,100
1980	727	– 9,014	– 8,875	947	– 2,361	– 10,289
1981	2,782	– 8,833	– 8,698	– 1,214	11,799	1,887

Note: Since errors and omissions are excluded, the regional breakdown of Canada's balance of international payments will not equal the total for transactions with all countries.

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*.

Reference Table 71
Bilateral Payments Balance with the Rest of the World
1947 – 1981

Years	Merchandise trade balance	Balance on goods and services	Balance on current account	Net capital movements inflows and outflows(–)		Special Drawing Rights allocations	Net balance
				Long-term forms	Short-term forms		
(Millions of dollars)							
1947	1,078	1,147	1,183	– 563	9	—	629
1948	721	773	844	– 83	13	—	774
1949	671	702	778	– 145	32	—	665
1950	57	5	66	– 15	110	—	161
1951	369	356	433	106	– 94	—	445
1952	958	977	1,017	68	– 112	—	973
1953	530	431	459	209	2	—	670
1954	458	344	376	204	– 35	—	545
1955	474	328	342	205	72	—	619
1956	439	256	278	456	73	—	708
1957	353	97	128	357	47	—	532
1958	356	97	30	203	– 2	—	231
1959	115	– 225	– 266	252	– 88	—	– 102
1960	525	159	126	183	37	—	346
1961	788	401	413	– 23	– 72	—	318
1962	622	208	262	8	– 95	—	175
1963	991	577	627	– 206	46	—	467
1964	1,509	1,155	1,211	– 193	– 655	—	363
1965	1,159	724	807	– 241	1,092	—	1,658
1966	1,217	787	868	– 165	48	—	751
1967	1,135	730	843	98	– 130	—	811
1968	1,082	463	650	518	200	—	1,368
1969	492	– 183	– 72	668	– 897	—	– 301
1970	1,931	1,180	1,271	18	– 243	133	1,046
1971	1,118	380	517	– 213	– 837	119	– 533
1972	344	– 398	– 249	529	673	117	953
1973	1,493	694	942	– 506	52	—	488
1974	688	– 378	70	– 612	– 318	—	– 860
1975	674	– 234	53	643	– 484	—	212
1976	869	– 207	248	3,371	84	—	3,703
1977	1,234	– 553	– 186	1,990	215	—	2,019
1978	1,427	– 436	– 461	396	– 934	—	– 999
1979	3,823	2,295	2,883	1,384	3,790	219	8,057
1980	7,083	5,829	6,971	358	3,474	217	10,803
1981	3,854	655	2,122	2,554	3,091	210	7,767

Note: Since errors and omissions are excluded, the regional breakdown of Canada's balance of international payments will not equal the total for transactions with all countries.

Reference Table 72
International Payments: Current Account
1947 – 1981

Years	Current receipts							Total current receipts
	Merchandise exports (adjusted)	Gold production available for export	Travel	Interest and dividends	Freight and shipping	Other service receipts	Transfer receipts	
D	50501	50505	50506	50508	50512	50516		50525
(Millions of dollars)								
1947	2,723	99	251	64	322	203	121	3,783
1948	3,030	119	279	70	336	211	143	4,188
1949	2,989	139	285	83	303	205	132	4,136
1950	3,139	163	275	94	284	203	126	4,284
1951	3,950	150	274	115	351	212	151	5,203
1952	4,339	150	275	152	383	269	160	5,728
1953	4,152	144	302	164	318	300	167	5,547
1954	3,934	155	305	147	313	283	169	5,306
1955	4,332	155	328	161	398	375	177	5,926
1956	4,837	147	337	142	457	430	194	6,544
1957	4,894	144	363	153	445	380	233	6,612
1958	4,890	157	349	167	401	365	171	6,500
1959	5,151	148	391	180	420	384	213	6,887
1960	5,392	162	420	171	442	393	235	7,215
1961	5,889	162	482	213	486	390	282	7,904
1962	6,387	155	562	202	509	419	314	8,548
1963	7,082	154	609	230	563	430	348	9,416
1964	8,238	145	662	332	644	482	384	10,887
1965	8,745	138	747	322	668	562	466	11,648
1966	10,326	127	840	318	758	676	555	13,600
1967	11,338	112	1,318	295	830	770	640	15,303
1968	13,720	33	953	353	891	840	674	17,464
1969	15,035	—	1,047	451	935	1,262	695	19,425
1970	16,921	—	1,206	528	1,126	1,386	765	21,932
1971	17,877	—	1,246	558	1,184	1,316	870	23,051
1972	20,129	—	1,230	665	1,241	1,315	903	25,483
1973	25,461	—	1,446	790	1,494	1,527	1,058	31,776
1974	32,591	—	1,694	882	1,812	2,013	1,360	40,352
1975	33,511	—	1,815	926	1,714	2,486	1,388	41,840
1976	37,995	—	1,930	825	2,082	2,769	1,509	47,110
1977	44,253	—	2,025	874	2,371	3,025	1,555	54,103
1978	53,054	—	2,378	1,208	2,714	3,631	1,592	64,577
1979	65,275	—	2,887	1,271	3,469	4,185	2,001	79,088
1980	76,170	—	3,349	1,660	3,894	5,185	2,663	92,921
1981	84,140	—	3,731	1,607	4,193	5,328	3,058	102,057

Reference Table 72 (continued)
International Payments: Current Account
1947 – 1981

Years	Current payments							Total current payments
	Merchandise imports (adjusted)	Travel	Interest and dividends	Freight and shipping	Other service payments	Official contributions	Other transfer payments	
D	50526	50531	50533	50537	50545	50542		50550
(Millions of dollars)								
1947	2,535	167	337	278	275	38	104	3,734
1948	2,598	134	325	279	284	23	94	3,737
1949	2,696	193	390	253	321	6	100	3,959
1950	3,132	226	475	301	358	5	106	4,603
1951	4,101	280	452	354	405	9	114	5,715
1952	3,854	341	413	375	398	16	144	5,541
1953	4,212	365	406	374	461	25	152	5,995
1954	3,916	389	424	356	470	11	164	5,730
1955	4,543	449	473	415	510	24	199	6,613
1956	5,565	498	524	502	575	30	222	7,916
1957	5,488	525	594	515	645	40	256	8,063
1958	5,066	542	614	460	639	53	263	7,637
1959	5,572	598	671	525	662	72	274	8,374
1960	5,540	627	656	533	733	61	298	8,448
1961	5,716	642	764	568	790	56	296	8,832
1962	6,203	605	783	595	859	36	297	9,378
1963	6,579	585	860	648	889	65	311	9,937
1964	7,537	712	1,010	679	975	69	329	11,311
1965	8,627	796	1,086	761	1,071	93	344	12,778
1966	10,102	900	1,140	823	1,294	166	337	14,726
1967	10,772	895	1,211	861	1,495	182	386	15,802
1968	12,249	982	1,259	931	1,650	133	357	17,561
1969	14,071	1,261	1,366	996	2,096	144	408	20,342
1970	13,869	1,422	1,550	1,106	2,267	201	411	20,826
1971	15,314	1,448	1,699	1,196	2,359	201	403	22,620
1972	18,272	1,464	1,713	1,315	2,486	227	392	25,869
1973	22,726	1,742	2,050	1,560	2,876	253	461	31,668
1974	30,902	1,978	2,435	2,036	3,658	332	471	41,812
1975	33,962	2,542	2,879	2,147	4,059	513	495	46,597
1976	36,607	3,121	3,323	2,232	4,690	455	524	50,952
1977	41,523	3,666	4,532	2,397	5,144	543	599	58,404
1978	49,047	4,084	5,904	2,583	6,352	910	632	69,512
1979	61,125	3,955	6,512	3,160	7,919	645	666	83,982
1980	68,360	4,577	7,204	3,526	9,776	680	702	94,825
1981	77,504	4,888	8,589	3,950	12,245	718	738	108,633

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*.

Reference Table 73
Merchandise Trade Detail: Exports
1963 - 1981

Years	Wheat	Animals and other edible products	Ores and concentrates	Crude petroleum and natural gas	Other crude materials	Lumber	Woodpulp	Newsprint
D	3609					3629	3631	3632
(Millions of dollars)								
1963	787	675	703	310	414	452	405	760
1964	1,024	817	803	360	453	477	461	835
1965	840	869	863	384	517	490	493	870
1966	1,061	906	934	430	583	474	520	968
1967	742	902	1,016	522	571	505	543	955
1968	684	929	1,262	600	605	656	628	990
1969	473	992	1,138	702	623	697	754	1,126
1970	687	1,181	1,522	855	707	664	785	1,111
1971	833	1,279	1,415	1,038	811	830	798	1,085
1972	927	1,428	1,397	1,315	848	1,174	830	1,158
1973	1,221	1,937	2,000	1,833	1,192	1,599	1,082	1,288
1974	2,065	1,806	2,376	3,914	1,504	1,290	1,889	1,726
1975	2,023	2,124	2,241	4,144	1,581	973	1,835	1,746
1976	1,732	2,563	2,512	3,903	1,872	1,649	2,186	2,003
1977	1,881	2,727	2,730	3,779	2,341	2,387	2,158	2,382
1978	1,913	3,389	2,404	3,763	2,664	3,229	2,181	2,886
1979	2,180	4,134	3,895	5,294	3,350	3,901	3,083	3,222
1980	3,796	4,419	4,209	6,883	3,664	3,352	3,871	3,682
1981	3,723	5,712	4,082	6,875	4,251	2,990	3,820	4,326
	Fabricated metals	Other fabricated materials	Motor vehicles and parts	Other machinery and equipment	Consumer goods and miscellaneous	Re-exports	Total	
			3653				3471	
(Millions of dollars)								
1963	918	572	88	589	127	182	6,980	
1964	1,049	680	177	811	147	209	8,303	
1965	1,138	738	356	811	157	242	8,767	
1966	1,227	823	1,012	956	195	255	10,043	
1967	1,368	858	1,739	1,167	234	298	11,420	
1968	1,605	975	2,672	1,340	303	373	13,624	
1969	1,499	1,087	3,514	1,595	244	428	14,871	
1970	1,996	1,311	3,499	1,666	418	419	16,820	
1971	1,678	1,406	4,171	1,660	393	422	17,818	
1972	1,716	1,700	4,718	2,014	446	479	20,150	
1973	2,084	2,171	5,415	2,455	562	583	25,421	
1974	2,760	3,030	5,717	2,868	732	767	32,442	
1975	2,475	2,855	6,432	3,399	720	780	33,328	
1976	3,015	3,375	8,225	3,670	946	825	38,475	
1977	3,543	4,458	10,424	3,975	901	870	44,554	
1978	4,684	6,175	12,540	5,230	1,201	924	53,183	
1979	5,251	8,919	11,900	7,295	1,895	1,324	65,641	
1980	8,109	10,321	10,818	8,488	2,648	1,705	75,964	
1981	7,734	11,696	13,072	9,962	2,985	2,470	83,698	

Source: Statistics Canada, Summary of External Trade, cat. 65-001.

Reference Table 74
Merchandise Trade Detail: Imports
1963 – 1981

Years	Animals and edible products	Crude petroleum	Other crude materials	Fabricated materials	Motor vehicles and parts	Other machinery and equipment	Other end products and miscellaneous	Total
D		3745		3746	3774			3535
(Millions of dollars)								
1963	780	335	563	1,571	669	1,882	759	6,558
1964	795	321	640	1,813	818	2,190	911	7,488
1965	770	312	694	2,114	1,125	2,573	1,045	8,633
1966	805	299	724	2,233	1,581	3,048	1,382	10,072
1967	884	356	707	2,310	2,168	3,341	1,106	10,873
1968	918	373	754	2,435	3,001	3,477	1,401	12,358
1969	1,063	393	692	2,905	3,546	4,031	1,500	14,130
1970	1,116	415	757	2,886	3,252	3,991	1,536	13,952
1971	1,157	541	781	3,140	4,110	4,328	1,650	15,617
1972	1,401	681	859	3,579	4,934	5,184	2,032	18,669
1973	1,981	943	1,075	4,282	6,081	6,477	2,487	23,325
1974	2,516	2,646	1,426	6,482	7,124	8,414	3,113	31,722
1975	2,682	3,302	1,784	5,944	8,236	9,296	3,472	34,716
1976	2,871	3,280	1,811	6,211	9,440	9,641	4,240	37,494
1977	3,307	3,215	2,105	6,993	11,576	10,606	4,561	42,363
1978	3,782	3,457	2,425	8,748	13,386	13,115	5,195	50,108
1979	4,236	4,497	3,473	12,024	15,161	17,156	6,324	62,871
1980	4,803	6,919	4,416	12,701	13,479	19,725	7,085	69,128
1981	5,184	7,840	4,305	14,554	15,961	22,810	8,223	78,876

Source: Statistics Canada, *Summary of External Trade*.

Reference Table 75
International Payments: Capital Movements
1950 – 1981

Years	Direct investment in Canada	Direct investment abroad	Canadian securities					Loans and capital subscriptions by Government of Canada		Export credits at risk of govt.	Other long-term capital transactions
			New issues	Retirements	Trade in outstanding bonds and debentures	Trade in outstanding common and preference stocks	Foreign securities (Net)	Advances	Repay-ments		
D	50560	50564			65000	50576			50629	50632	50650
(Millions of dollars)											
1950.....	225	35	210	-284	—	329	76	-50	74	—	-5
1951.....	320	-30	411	-184	—	38	15	—	68	—	28
1952.....	360	-85	323	-89	-168	73	-11	—	56	—	-4
1953.....	450	-70	335	-146	-52	21	-1	—	87	—	11
1954.....	425	-90	333	-205	-66	129	-24	—	72	—	25
1955.....	445	-85	166	-185	-165	137	-5	—	69	—	37
1956.....	650	-105	667	-141	11	187	-3	-4	69	—	159
1957.....	545	-80	800	-134	-45	142	1	-1	50	—	42
1958.....	430	-40	688	-158	—	88	1	-34	64	—	114
1959.....	570	-85	709	-258	92	110	-34	-1	34	—	38
1960.....	670	-50	448	-266	3	51	-19	-11	32	—	60
1961.....	560	-80	548	-301	61	39	-35	-8	38	—	103
1962.....	505	-105	729	-319	64	-115	-65	-22	129	-63	-64
1963.....	280	-135	984	-404	39	-170	22	-18	25	-72	75
1964.....	270	-95	1,100	-382	77	-98	-52	-10	10	-164	46
1965.....	535	-125	1,240	-390	55	-274	-85	-14	10	-187	54
1966.....	790	-5	1,465	-499	-104	-136	-401	-35	24	-41	144
1967.....	691	-125	1,307	-357	-57	12	-432	-38	34	107	229
1968.....	590	-225	1,917	-431	-70	114	-467	-78	5	29	197
1969.....	720	-370	2,089	-440	2	53	102	-89	22	-12	228
1970.....	905	-315	1,230	-552	-40	-145	70	-145	36	-129	61
1971.....	925	-230	1,191	-845	-96	-142	196	-190	36	-230	25
1972.....	620	-400	1,722	-603	292	-59	244	-249	37	-246	230
1973.....	830	-770	1,323	-738	29	-24	69	-269	43	-189	323
1974.....	845	-810	2,423	-626	41	-112	46	-350	39	-573	118
1975.....	725	-915	5,038	-851	302	5	-17	-377	38	-355	342
1976.....	-300	-590	9,027	-936	559	-79	79	-436	18	-210	875
1977.....	475	-740	5,889	-930	243	-91	221	-539	36	-523	176
1978.....	85	-2,150	6,529	-1,314	35	-396	25	-509	262	-881	1,395
1979.....	675	-2,350	5,245	-2,175	476	360	-582	-552	33	-877	1,846
1980.....	585	-2,780	5,443	-2,080	1,071	987	-114	-517	36	-1,186	-140
1981.....	-5,300	-4,900	13,559	-2,782	1,267	-1,161	-95	-628	41	-895	2,234

Reference Table 75 (continued)
International Payments: Capital Movements
1950 – 1981

Years	Change in certain Canadian assets of non-residents							Net capital movements excluding monetary items shown in the following columns ⁽²⁾	Special Drawing Rights allocations	Net official monetary assets		
	Canadian dollar deposits	Government of Canada demand liabilities	Treasury bills	Short-term paper ⁽¹⁾	Other finance company obligations	Residential holdings of foreign currencies	All other transactions			Net errors and omissions	Official inter-national reserves	Official inter-national liabilities
D	50652	56654	50656		50676		50686	50693		50710	50713	50714
(Millions of dollars)												
1950.....	235	-4	-3	—	—	11	91	101	1,041	—	722	—
1951.....	-190	-8	2	—	—	-14	50	62	568	—	56	—
1952.....	-66	-5	1	—	35	-165	-16	-389	-150	—	37	—
1953.....	-22	-11	-2	—	-2	-80	44	-166	410	—	-38	—
1954.....	27	-15	8	—	10	-75	14	-70	548	—	124	—
1955.....	60	-9	29	—	23	91	5	30	643	—	-44	—
1956.....	-30	—	3	—	64	-216	85	24	1,420	—	48	—
1957.....	-15	—	-18	—	4	-274	87	242	1,346	—	-105	—
1958.....	39	45	21	—	24	-58	-89	111	1,246	—	109	—
1959.....	10	-8	14	—	68	-119	15	317	1,476	—	-11	—
1960.....	79	-12	56	—	59	-60	42	101	1,194	—	-39	—
1961.....	33	-2	-58	—	95	142	-77	157	1,220	—	296	-4
1962.....	-10	-4	4	—	119	92	240	-145	984	—	307	-153
1963.....	43	1	-27	70	35	-259	134	32	666	—	56	89
1964.....	28	—	-16	185	52	-329	5	113	788	—	297	67
1965.....	31	2	12	-152	209	415	177	-239	1,289	—	158	—
1966.....	11	5	-15	3	154	-520	119	-182	803	—	-360	1
1967.....	24	-4	4	-51	35	-362	-41	-501	519	—	17	3
1968.....	72	21	48	-132	24	-449	-23	-784	446	—	350	-1
1969.....	52	-34	20	218	116	-1,434	-74	-219	982	—	65	—
1970.....	26	-7	-79	310	-109	-154	-183	-387	424	133	1,662	1
1971.....	95	50	-3	77	-25	854	-18	-1,348	346	119	896	—
1972.....	139	27	22	-181	-30	448	47	-1,455	605	117	336	—
1973.....	143	77	-24	140	12	-519	-382	-650	-575	—	-467	—
1974.....	597	45	77	80	158	236	117	-867	1,484	—	24	—
1975.....	561	-4	37	350	-89	272	493	-1,203	4,352	—	-405	—
1976.....	156	7	440	533	47	-1,289	175	-3,712	4,364	—	522	—
1977.....	230	172	242	220	-55	729	-870	-2,005	2,880	—	-1,421	—
1978.....	37	55	-53	86	-40	2,104	-952	-2,682	1,636	—	-185	-3,114
1979.....	524	217	-178	675	0	4,114	1,400	-2,268	6,583	219	-858	2,766
1980.....	-56	171	542	523	70	889	-1,026	-2,011	407	217	-542	-738
1981.....	1,401	164	-61	1,217	471	11,757	-59	-8,438	7,792	210	382	1,044

⁽¹⁾ Included in "all other transactions" for 1950 and 1951; included in "other finance company obligations" from 1952 to 1962.

⁽²⁾ Includes net errors and omissions.

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*.

Reference Table 76

Net Proceeds from New Issues of Canadian Securities to Non-Residents
1947 – 1981

Years	Government of Canada bonds (including guaranteed)			Provincial government bonds (including guaranteed)			Municipal government bonds			Total government bonds		
	New issues	Retire- ments	Net proceeds	New issues	Retire- ments	Net proceeds	New issues	Retire- ments	Net proceeds	New issues	Retire- ments	Net proceeds
D	65006	65011		65007	65012		65008	65013				
(Millions of dollars)												
1947.....	n.a.	39	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	39	n.a.
1948.....	150	36	144	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	150	36	114
1949.....	99	96	3	n.a.	n.a.	n.a.	6	n.a.	n.a.	105	96	9
1950.....	62	159	-97	96	n.a.	n.a.	20	n.a.	n.a.	178	159	19
1951.....	7	94	-87	262	43	219	72	12	60	341	149	192
1952.....	1	18	-17	107	38	69	55	17	38	163	73	90
1953.....	6	84	-78	143	28	115	76	15	61	225	127	98
1954.....	8	69	-61	126	63	63	46	28	18	180	160	20
1955.....	5	100	-95	3	19	-16	44	18	26	52	137	-85
1956.....	9	83	-74	224	15	209	112	18	94	345	116	229
1957.....	16	29	-13	136	25	111	123	24	99	275	78	197
1958.....	76	25	51	168	45	123	148	30	118	392	100	292
1959.....	56	101	-45	334	41	293	157	33	124	547	175	372
1960.....	30	58	-28	103	57	46	135	38	97	268	153	115
1961.....	37	48	-11	66	24	42	47	38	9	150	110	40
1962.....	156	86	70	148	22	126	74	41	33	378	149	229
1963.....	173	76	97	343	70	273	62	77	-15	578	223	355
1964.....	43	88	-45	439	66	373	182	58	129	664	207	457
1965.....	28	85	-57	297	31	266	84	53	31	409	169	240
1966.....	32	203	-171	448	64	384	177	96	81	657	364	293
1967.....	20	95	-75	762	61	701	173	52	121	955	208	747
1968.....	288	57	231	852	76	776	124	60	64	1,264	193	1,071
1969.....	40	83	-43	1,063	91	972	177	88	89	1,280	262	1,018
1970.....	26	157	-131	528	112	416	65	92	-27	619	361	258
1971.....	28	31	-3	725	317	408	26	99	-73	779	447	332
1972.....	30	44	-14	1,140	220	920	169	98	71	1,339	362	977
1973.....	18	110	-92	857	234	623	109	117	-8	989	461	523
1974.....	14	55	-41	1,713	211	1,502	234	96	138	1,961	362	1,599
1975.....	46	92	-46	3,334	342	2,992	541	82	459	3,921	516	3,405
1976.....	368	147	221	4,939	308	4,631	779	121	658	6,086	576	5,510
1977.....	719	146	573	3,083	312	2,771	368	99	269	4,170	557	3,613
1978.....	2,897	210	2,687	2,160	586	1,574	120	193	-73	5,177	989	4,188
1979.....	1,737	204	1,533	2,023	942	1,081	177	439	-262	3,937	1,585	2,352
1980.....	1,232	271	961	1,443	822	621	252	352	-100	2,927	1,445	1,482
1981.....	1,842	448	1,394	6,318	992	5,326	423	186	237	8,583	1,626	6,957

Reference Table 76 (continued)

Net Proceeds from New Issues of Canadian Securities to Non-Residents
1947 – 1981

Years	Bonds and debentures of corporations			Total bonds and debentures			Common and preference stocks			Total securities		
	New issues	Retire- ments	Net proceeds	New issues	Retire- ments	Net proceeds	New issues	Retire- ments	Net proceeds	New issues	Retire- ments	Net proceeds
D	65009	65014	65005	65010	50586	50587						
(Millions of dollars)												
1947.....	n.a.	n.a.	n.a.	95	n.a.	n.a.	n.a.	n.a.	n.a.	95	364	- 269
1948.....	n.a.	n.a.	n.a.	150	n.a.	n.a.	n.a.	n.a.	n.a.	150	114	36
1949.....	n.a.	n.a.	n.a.	105	n.a.	n.a.	n.a.	n.a.	n.a.	205	147	58
1950.....	28	n.a.	n.a.	206	n.a.	n.a.	n.a.	n.a.	n.a.	206	284	- 78
1951.....	28	n.a.	n.a.	369	n.a.	n.a.	42	7	35	411	184	227
1952.....	136	15	121	299	88	211	24	1	23	323	89	234
1953.....	64	13	51	289	140	149	46	6	40	335	146	189
1954.....	133	35	98	313	195	118	20	10	10	333	205	128
1955.....	51	41	10	103	178	- 75	63	7	56	166	185	- 19
1956.....	252	20	232	597	136	461	70	5	65	667	141	526
1957.....	464	31	433	739	109	630	61	25	36	800	134	666
1958.....	253	42	211	645	142	503	43	16	27	688	158	530
1959.....	114	66	48	661	241	420	48	17	31	709	258	451
1960.....	154	104	50	422	257	165	26	9	17	448	266	182
1961.....	354	136	218	504	246	258	44	55	- 11	548	301	247
1962.....	331	140	191	709	289	420	20	30	- 10	729	319	420
1963.....	392	101	291	970	324	646	14	80	- 66	984	404	580
1964.....	414	117	297	1,078	324	754	22	58	- 36	1,100	382	718
1965.....	807	214	593	1,216	383	833	24	7	17	1,240	390	850
1966.....	751	131	620	1,408	495	913	57	4	53	1,465	499	966
1967.....	315	148	167	1,270	356	914	37	1	36	1,307	357	950
1968.....	586	233	353	1,850	426	1,424	67	5	62	1,917	431	1,486
1969.....	597	176	421	1,877	438	1,439	212	2	210	2,089	440	1,649
1970.....	541	187	354	1,160	548	612	70	4	66	1,230	552	678
1971.....	391	393	- 2	1,170	840	330	21	5	16	1,191	845	346
1972.....	345	239	106	1,684	601	1,083	38	2	36	1,722	603	1,119
1973.....	300	275	25	1,284	736	548	39	2	37	1,323	738	585
1974.....	448	223	225	2,409	585	1,824	14	41	- 27	2,423	626	1,797
1975.....	1,031	331	700	4,952	847	4,105	86	4	82	5,038	851	4,187
1976.....	2,860	303	2,557	8,946	879	8,067	81	57	24	9,027	936	8,091
1977.....	1,706	346	1,360	5,876	903	4,973	13	27	- 14	5,889	930	4,959
1978.....	1,227	325	902	6,404	1,314	5,090	125	0	125	6,529	1,314	5,215
1979.....	1,143	590	553	5,080	2,175	2,905	165	0	165	5,245	2,175	3,070
1980.....	2,045	627	1,418	4,972	2,072	2,900	471	8	463	5,443	2,080	3,363
1981.....	4,647	1,147	3,500	13,230	2,773	10,457	329	9	320	13,559	2,782	10,777

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*.

Reference Table 77

Canadian Chartered Banks' Head Office and Branches in Canada Net Change in Foreign Currency Positions⁽¹⁾ 1964 – 1981

Years	With U.S. residents:			Other non-residents:			Total non-residents:			With Canadian residents:			Changes in banks' own positions
	Assets	Liabili- ties	Net	Assets	Liabili- ties	Net	Assets	Liabili- ties	Net	Assets	Liabili- ties	Net	
(Millions of dollars)													
1964	40	327	-287	691	101	590	731	428	303	197	532	-335	-32
1965	-208	-727	519	-440	505	-945	-648	-222	-426	276	-107	383	-43
1966	208	-309	517	-2	48	-50	206	-261	467	84	401	-317	150
1967	273	76	197	375	188	187	648	264	384	-103	363	-466	-82
1968	168	-296	464	725	701	24	893	405	488	-49	189	-238	250
1969	815	338	477	1,395	1,366	29	2,210	1,704	506	215	1,237	-1,022	-516
1970 ⁽²⁾	-33	22	-55	1,389	1,212	177	1,356	1,234	122	216	101	115	237
1971	-933	592	-1,525	318	197	121	-615	789	-1,404	-43	-1,470	1,427	23
1972	-87	175	-262	1,288	1,663	-375	1,201	1,838	-637	-100	-89	-11	-648
1973	528	265	263	3,211	3,131	80	3,739	3,396	343	175	1,406	-1,231	-888
1974	-47	1,026	-1,073	1,492	-935	2,427	1,445	91	1,354	1,116	1,997	-881	473
1975	-652	833	-1,485	558	-438	996	-94	395	-489	569	-513	1,082	593
1976	884	275	609	2,407	2,075	332	3,291	2,350	941	498	1,789	-1,291	-350
1977	-31	851	-882	838	1,340	-502	807	2,191	-1,384	2,217	843	1,374	-10
1978	2,238	4,324	-2,086	1,881	2,566	-685	4,119	6,890	-2,771	5,442	3,425	2,017	-754
1979	672	2,526	-1,854	3,739	5,992	-2,253	4,411	8,518	-4,107	1,178	-572	1,750	-2,357
1980	5,689	4,134	1,555	6,251	9,212	-2,961	11,940	13,346	-1,406	2,741	1,079	1,662	256
1981	-475	8,634	-9,109	2,983	11,772	-8,789	2,508	20,406	-17,898	11,312	-4,291	15,603	-2,295

⁽¹⁾ Adjusted for variations in exchange rates.

⁽²⁾ Commencing with September 30, 1970, changes in assets and liabilities with residents of Puerto Rico and the U.S. Virgin Islands are included with residents of the United States instead of with other non-residents.

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*.

Reference Table 78

Canada's Reserve Position with the International Monetary Fund⁽¹⁾ 1946 – 1981

Years	IMF transactions with Canada				Canadian loans to IMF	IMF transactions with other countries in Canadian dollars	Reserve position at end of period
	Increases in subscription ⁽²⁾	Drawings(-) and repayments	Sales of gold and SDRs	Other			
(Millions of SDRs ⁽³⁾)							
1946-1960	137.5	—	—	—	—	14.9	152.5
1961	—	—	-25.0	—	—	84.6	212.1
1962	—	-300.0	—	—	—	-50.3	-138.2
1963	—	79.7	—	—	—	—	-58.5
1964	—	166.0	-9.0	—	—	99.0	197.5
1965	—	—	-27.5	—	—	183.4	353.4
1966	47.5	—	—	—	—	47.6	448.5
1967	—	—	—	—	—	-15.1	433.4
1968	—	-361.2	—	2.8	—	131.2	206.2
1969	—	—	-8.6	0.2	—	280.3	478.1
1970	90.0	—	-45.2	1.0	—	145.7	669.6
1971	—	—	-66.3	—	—	-270.7	332.6
1972	—	—	—	—	—	-16.6	315.9
1973	—	—	—	—	—	-35.5	280.4
1974	—	—	—	—	140.7	11.5	432.6
1975	—	—	—	—	106.2	14.7	553.5
1976	—	—	—	—	—	259.4	812.9
1977	—	—	-16.4	-22.1	-41.5	-31.5	701.4
1978	—	—	-8.2	14.8	-76.5	-204.1	427.4
1979	—	—	-8.2	18.5	-103.2	-38.0	296.5
1980	169.6	—	—	0.8	-13.0	—	454.0
1981	—	—	—	—	—	-108.4	345.6

⁽¹⁾ Reserve position equals the Canadian subscription plus outstanding loans to the IMF minus IMF holdings of Canadian dollars. This is the amount of foreign exchange which Canada is entitled to draw from the Fund on demand for balance of payments purposes.

⁽²⁾ Portion paid in other than Canadian dollars.

⁽³⁾ Prior to May 8, 1972 one SDR equalled one U.S. dollar. From May 8, 1972, to October 18, 1973 one SDR was equivalent to U.S. \$1.08571; from October 18, 1973 to July 1, 1974 one SDR was equivalent to U.S. \$1.20635; since the latter date the value of the SDR in terms of U.S. dollars has been determined daily on the basis of a weighted average of the market values of major currencies. Until December 1980, 16 currencies were used; on January 1, 1981, the number of currencies was reduced to five.

Source: Bank of Canada, *Review*, monthly.

Reference Table 79
Canada's Official International Reserves
1961 – 1981

End of period	Foreign currencies ⁽¹⁾		Gold	Special Drawing Rights	Reserve position in IMF	Total	Total
	U.S. dollars	Other					
B	3801	3802	3803	3804	3805	3800	
(Millions of U.S. dollars)							(Millions of SDRs)
1961	1,123.0	10.7	946.2	—	212.1	2,292.0	2,292.0
1962	1,842.8	9.2	708.5	—	—	2,560.5	2,560.5
1963	1,786.6	9.5	817.2	—	—	2,613.3	2,613.3
1964	1,654.5	11.8	1,025.7	—	197.5	2,889.5	2,889.5
1965	1,519.9	12.8	1,150.8	—	353.4	3,036.9	3,036.9
1966	1,195.4	12.4	1,045.6	—	448.5	2,701.9	2,701.9
1967	1,255.2	13.4	1,014.9	—	433.4	2,716.9	2,716.9
1968	1,964.9	11.6	863.1	—	206.2	3,045.8	3,045.8
1969	1,743.6	12.3	872.3	—	478.1	3,106.3	3,106.3
1970	3,022.1	14.5	790.7	182.1	669.6	4,679.0	4,679.0
1971	4,060.0	13.6	791.8	371.9	332.6	5,570.4	5,570.4
1972	4,355.0	12.6	834.1	505.2	342.9	6,049.9	5,572.3
1973	3,927.2	12.2	926.9	563.7	338.2	5,768.2	4,781.5
1974	3,767.7	12.9	940.7	574.3	529.7	5,825.3	4,757.9
1975	3,207.1	15.7	899.4	555.4	648.0	5,325.6	4,549.3
1976	3,446.3	15.8	879.0	557.8	944.5	5,843.4	5,029.3
1977	2,298.7	15.8	935.6	505.3	852.1	4,607.5	3,793.1
1978	2,459.5	18.4	1,009.1	522.4	556.8	4,566.2	3,504.9
1979	1,863.9	23.9	1,022.6	585.9	390.6	3,886.9	2,950.6
1980	2,037.6	23.1	936.6	453.2	579.0	4,029.6	3,159.5
1981	2,865.3	95.8	833.7	174.0	402.4	4,371.1	3,755.4

⁽¹⁾ Convertible foreign currency of the Exchange Fund Account, the Receiver General for Canada and the Bank of Canada.

Source: Bank of Canada and Department of Finance.

Reference Table 80
Price of Foreign Currencies in Canada
1954 – 1981

Years	Belgian franc	French franc	German mark	Italian lira	Japanese yen	Dutch guilder	Swedish krona	Swiss franc	Pound sterling	U.S. dollar
B	3402	3404	3405	3406	3407	3408	3410	3411	3412	3400
(Average of daily rates)										
1954	0.0195	0.278	0.232	0.00156	0.00270	0.257	0.188	0.227	2.734	0.973
1955	0.0196	0.282	0.234	0.00158	0.00274	0.259	0.190	0.230	2.754	0.986
1956	0.0197	0.281	0.234	0.00158	0.00273	0.257	0.190	0.230	2.752	0.984
1957	0.0191	0.256	0.228	0.00154	0.00266	0.251	0.185	0.224	2.679	0.959
1958	0.0195	0.231	0.232	0.00156	0.00270	0.257	0.188	0.226	2.728	0.971
1959	0.0192	0.196	0.230	0.00155	0.00267	0.254	0.185	0.222	2.694	0.959
1960	0.0195	0.198	0.233	0.00156	0.00270	0.257	0.188	0.225	2.723	0.970
1961	0.0203	0.207	0.252	0.00163	0.00281	0.279	0.196	0.235	2.839	1.013
1962	0.0215	0.218	0.267	0.00172	0.00297	0.297	0.207	0.247	3.001	1.069
1963	0.0216	0.220	0.271	0.00174	0.00300	0.300	0.208	0.250	3.020	1.079
1964	0.0217	0.220	0.271	0.00173	0.00300	0.299	0.209	0.250	3.012	1.079
1965	0.0217	0.220	0.270	0.00173	0.00300	0.299	0.209	0.249	3.014	1.078
1966	0.0216	0.219	0.269	0.00173	0.00298	0.298	0.209	0.249	3.009	1.077
1967	0.0217	0.219	0.271	0.00173	0.00298	0.299	0.209	0.249	2.962	1.079
1968	0.0216	0.218	0.270	0.00173	0.00299	0.298	0.209	0.250	2.579	1.077
1969	0.0215	0.208	0.275	0.00172	0.00301	0.297	0.208	0.250	2.574	1.077
1970	0.0210	0.189	0.286	0.00167	0.00292	0.289	0.201	0.242	2.502	1.044
1971	0.0208	0.183	0.291	0.00163	0.00291	0.289	0.198	0.246	2.469	1.010
1972	0.0225	0.196	0.311	0.00170	0.00327	0.309	0.208	0.259	2.479	0.991
1973	0.0258	0.226	0.378	0.00172	0.00370	0.360	0.230	0.317	2.452	1.000
1974	0.0252	0.204	0.379	0.00150	0.00336	0.365	0.221	0.330	2.288	0.978
1975	0.0277	0.238	0.414	0.00156	0.00343	0.403	0.246	0.393	2.258	1.017
1976	0.0256	0.207	0.393	0.00119	0.00333	0.373	0.227	0.395	1.781	0.986
1977	0.0297	0.217	0.459	0.00121	0.00398	0.434	0.238	0.445	1.857	1.063
1978	0.0363	0.254	0.569	0.00135	0.00548	0.529	0.253	0.644	2.191	1.141
1979	0.0399	0.276	0.639	0.00141	0.00537	0.590	0.274	0.705	2.486	1.171
1980	0.0401	0.277	0.644	0.00137	0.00519	0.589	0.277	0.698	2.721	1.169
1981	0.0324	0.222	0.532	0.00106	0.00545	0.482	0.238	0.613	2.430	1.199

Source: Bank of Canada.

Reference Table 81
Indexes of Exchange Rates⁽¹⁾
1970 – 1981
(1971 = 100)

Years and months	Price of Canadian dollar in			Price of U.S. dollar in		
	United States	Other G – 10 countries	Total G – 10 countries	Canada	Other G – 10 countries	Total G – 10 countries
(Average of daily rates)						
1970	96.8	99.3	97.3	103.4	103.0	103.1
1971	100.0	100.0	100.0	100.0	100.0	100.0
1972	101.9	94.6	100.4	98.1	91.3	94.0
1973	101.0	87.4	97.9	99.0	82.4	88.7
1974	103.3	93.1	101.0	96.9	85.3	89.8
1975	99.3	89.8	97.2	100.7	83.9	90.3
1976	102.4	102.6	102.5	97.6	89.5	92.7
1977	95.0	92.8	94.5	105.3	85.4	92.9
1978	88.6	75.2	85.6	113.0	73.0	87.0
1979	86.2	69.5	82.4	116.0	70.3	86.0
1980	86.4	67.9	82.1	115.8	70.1	85.9
1981	84.2	75.7	82.3	118.7	80.1	93.9
1980 J.....	86.8	68.5	82.6	115.3	69.7	85.4
F.....	87.4	69.5	83.3	114.5	70.7	85.9
M.....	86.1	71.2	82.7	116.2	73.7	88.6
A.....	85.2	70.8	81.9	117.4	74.2	89.3
M.....	86.1	67.7	81.8	116.2	69.9	85.9
J.....	87.7	67.5	83.0	114.0	68.3	84.0
J.....	87.7	67.1	82.9	114.1	68.0	83.8
A.....	87.1	67.5	82.6	114.8	69.2	84.9
S.....	86.7	66.1	81.9	115.3	68.1	84.2
O.....	86.4	65.9	81.6	115.8	68.3	84.5
N.....	85.1	66.5	80.8	117.5	70.3	86.5
D.....	84.4	66.7	80.3	118.5	71.1	87.4
1981 J.....	84.8	66.3	80.5	117.9	70.7	86.9
F.....	84.2	69.0	80.8	118.7	74.1	89.7
M.....	84.8	70.3	81.5	118.0	74.6	89.8
A.....	84.8	72.3	82.0	117.9	76.7	91.3
M.....	84.1	74.9	82.1	118.9	80.2	94.1
J.....	83.9	77.5	82.5	119.2	82.8	95.9
J.....	83.4	80.0	82.6	120.0	85.5	98.1
A.....	82.6	81.0	82.2	121.1	87.2	99.6
S.....	84.1	80.5	83.3	118.9	84.2	96.8
O.....	84.0	79.4	83.0	119.1	83.1	96.1
N.....	85.0	78.4	83.6	117.6	81.2	94.3
D.....	85.2	78.5	83.8	117.4	81.3	94.3

⁽¹⁾ Geometrically weighted by 1971 bilateral shares of trade. The Group of Ten countries comprise Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, the United Kingdom, and the United States, plus Switzerland.

Reference Table 82
Money Market and Eurodollar Rates
1977 – 1981

Months	Canada	United States	Japan	France	West Germany	United Kingdom	Netherlands	Belgium	Eurodollar: London
(Per cent)									
1977 J.....	8.04	4.60	7.00	9.94	4.57	12.73	6.23	6.14	5.15
F.....	7.65	4.66	7.00	9.83	4.36	11.02	6.09	6.69	5.08
M.....	7.54	4.61	6.69	9.73	4.53	9.84	6.18	5.46	5.11
A.....	7.58	4.54	5.87	9.22	4.52	8.31	4.01	6.18	5.13
M.....	7.05	4.94	5.18	9.07	4.10	7.40	1.23	5.93	5.77
J.....	7.07	5.00	5.48	8.92	4.13	7.45	0.75	5.87	5.78
J.....	7.14	5.15	5.66	8.67	4.26	7.43	0.88	4.49	5.77
A.....	7.14	5.50	5.75	8.52	4.03	6.54	2.69	4.91	6.30
S.....	7.10	5.77	4.98	8.30	4.01	5.69	3.02	4.88	6.56
O.....	7.24	6.19	4.92	8.36	3.98	4.52	4.29	4.75	7.13
N.....	7.26	6.16	4.62	8.97	3.94	4.89	4.82	3.42	7.08
D.....	7.17	6.06	5.01	9.30	3.24	6.37	5.34	7.16	7.12
1978 J.....	7.13	6.45	4.79	8.88	3.37	5.81	5.11	7.56	7.31
F.....	7.30	6.46	4.80	10.18	3.34	5.96	5.45	4.12	7.27
M.....	7.73	6.32	4.62	9.96	3.55	5.94	5.33	4.64	7.26
A.....	8.19	6.31	4.14	8.48	3.53	6.77	4.56	4.04	7.38
M.....	8.13	6.43	4.06	8.08	3.54	8.40	4.65	3.63	7.83
J.....	8.26	6.71	4.11	7.76	3.55	9.15	3.99	4.06	8.31
J.....	8.71	7.07	4.44	7.43	3.40	9.22	4.10	3.85	8.52
A.....	8.80	7.04	4.39	7.25	3.23	8.90	3.47	5.06	8.50
S.....	9.17	7.84	4.25	7.20	3.51	9.00	5.59	4.93	9.11
O.....	9.85	8.13	4.18	6.99	3.07	9.92	13.56	7.41	10.15
N.....	10.36	8.79	3.93	6.89	2.67	11.51	8.76	6.96	11.52
D.....	10.46	9.12	4.57	6.67	3.56	11.57	10.29	6.45	11.58
1979 J.....	10.78	9.35	4.29	6.64	2.99	11.86	8.64	6.33	11.18
F.....	10.82	9.27	4.35	6.68	3.81	12.62	7.73	6.40	10.79
M.....	10.92	9.46	4.64	6.77	4.32	11.35	7.14	5.37	10.64
A.....	10.80	9.49	4.89	6.82	5.24	11.32	7.09	5.25	10.60
M.....	10.84	9.59	5.12	7.20	5.16	11.35	7.10	4.81	10.72
J.....	10.78	9.05	5.34	8.01	5.60	12.57	7.57	7.64	10.53
J.....	11.25	9.26	5.80	9.34	5.73	13.32	8.63	9.59	10.87
A.....	11.45	9.45	6.69	10.44	6.36	13.31	8.73	9.34	11.50
S.....	11.64	10.18	6.81	10.99	6.50	13.38	9.39	8.91	12.61
O.....	13.61	11.47	6.74	11.47	7.87	13.38	9.28	11.32	14.59
N.....	13.62	11.87	7.58	11.95	7.86	15.33	11.18	10.06	15.00
D.....	13.66	12.07	8.05	12.17	9.02	15.90	15.90	10.58	14.55
1980 J.....	13.50	12.04	8.06	11.99	8.25	15.79	11.18	11.74	14.41
F.....	13.55	12.81	8.74	12.17	8.06	16.14	10.99	9.66	16.97
M.....	15.24	15.53	10.73	12.96	8.61	16.18	9.50	12.59	19.94
A.....	15.15	14.00	12.21	12.40	9.05	16.17	10.47	14.83	13.94
M.....	11.58	9.15	12.56	12.61	9.80	16.09	11.14	13.47	9.75
J.....	10.38	7.00	12.64	12.43	10.04	15.80	10.97	11.96	9.75
J.....	10.06	8.13	12.70	12.04	9.80	14.55	10.31	11.84	9.81
A.....	10.49	9.26	12.09	11.32	8.92	14.86	10.09	9.80	12.50
S.....	10.95	10.32	11.40	11.37	9.27	14.40	9.86	9.51	13.94
O.....	11.91	11.58	11.04	11.22	9.01	14.29	9.34	9.50	15.25
N.....	13.70	13.89	9.50	10.74	8.76	13.95	9.05	10.04	18.31
D.....	17.01	15.66	9.49	10.88	9.16	13.07	8.60	9.73	17.75
1981 J.....	16.86	14.72	8.91	10.74	9.09	12.85	8.97	10.20	17.44
F.....	16.83	14.91	8.60	10.91	10.38	12.09	9.08	8.93	16.69
M.....	16.44	13.48	8.04	11.72	11.97	11.53	9.90	10.25	14.87
A.....	17.35	13.64	7.19	12.23	11.31	11.33	9.61	16.44	16.97
M.....	18.43	16.30	7.06	16.03	11.83	11.35	10.68	12.51	17.75
J.....	18.83	14.56	7.12	19.93	11.93	12.09	11.57	9.40	17.69
J.....	20.29	14.70	7.26	18.49	11.98	13.28	12.33	10.56	18.75
A.....	20.82	15.61	7.24	17.50	11.97	13.42	12.67	11.93	18.69
S.....	19.35	14.95	7.26	17.78	12.00	13.96	11.91	11.26	17.87
O.....	17.96	13.87	7.05	17.09	11.30	15.55	12.76	12.72	15.66
N.....	15.07	11.27	6.80	15.72	10.81	14.41	11.89	10.94	12.00
D.....	14.41	10.93	6.70	15.46	10.38	14.51	10.77	12.45	13.75

Source: International Monetary Fund, *International Financial Statistics*.

Reference Table 83

Details of New Issues and Retirements of Government of Canada Marketable Bonds from January 1, 1981 to December 31, 1981

Date	Retirements	Amount	Sub- total	Currency of Payment	New Bonds	Amount Delivered	Sub- total	Currency of Payment	Yield to Maturity (%)	Net Change in Amount Out- standing
(Millions of dollars, par value)										
February 1	4 % February 1, 1981	300		C	12 3/4 % December 15, 1983	275		C	12.95	
	8 1/2 % February 1, 1981	475	775	C	12 1/2 % February 1, 1986 ⁽¹⁾	725		C	12.64	
					13 % May 1, 2001	500	1,500	C	13.24	8,724
March 1					13 3/4 % August 1, 1984 ⁽²⁾	450		C	13.75	
March 31					13 3/4 % March 15, 2000	250	700	C	13.86	8,974
					13 1/4 % February 1, 1985 ⁽³⁾	600		C	13.32	
					13 3/4 % March 15, 2000	250	850	C	13.82	9,824
April 1	8 1/4 % April 1, 1981	100		C						
	Various ⁽⁴⁾	81	81	C						9,643
April 9	Various ⁽⁴⁾	41	41	C						9,602
April 15	Various ⁽⁵⁾	2		U.S.						9,600
	Various ⁽⁴⁾	15	15	C						9,585
May 1					14 1/2 % May 1, 1986 ⁽⁶⁾	500	500	C	14.79	10,085
June 1	8 3/4 % June 1, 1981	1,000	1,000	C	16 1/4 % April 1, 1984	400		C	16.49	
					15 1/4 % June 1, 1986 ⁽⁷⁾	550		C	15.77	
					15 3/4 % February 1, 2001	250		C	16.08	10,285
					16 % October 15, 1983	75		C	15.85	
July 31					14 3/4 % July 1, 1986 ⁽⁸⁾	450		C	14.75	
					15 % July 1, 2000	175	700	C	15.08	10,985
					16 1/4 % April 1, 1984	175		C	16.50	
					15 1/4 % June 1, 1986 ⁽⁹⁾	350		C	15.76	
					15 3/4 % February 1, 2001	175	700	C	16.04	11,685
August 1	7 1/4 % August 1, 1981	1	1	C						11,684
October 15					18 3/4 % October 15, 1983	100		C	19.00	
					18 % October 1, 1986 ⁽¹⁰⁾	400	500	C	18.23	12,184
November 3	5 % October 15, 1987 ⁽⁵⁾	1	1	U.S.						
					16 1/4 % November 3, 1986	359	359	C	16.295	12,543
December 15	8 1/2 % December 15, 1981	300	300	C						12,243

(1) Extendible at the option of the holder to February 1, 1991.

(2) Extendible at the option of the holder to August 1, 1989.

(3) Extendible at the option of the holder to February 1, 1990.

(4) Partial redemption for purchase funds.

(5) Partial redemption for sinking funds.

(6) Extendible at the option of the holder to May 1, 1991.

(7) Extendible at the option of the holder to June 1, 1993.

(8) Extendible at the option of the holder to July 1, 1993.

(9) Extendible at the option of the holder to June 1, 1993.

(10) Extendible at the option of the holder to October 1, 1991.

Source: Bank of Canada and Department of Finance.

Reference Table 84

Changes in Marketable Securities and Canada Savings Bonds Outstanding 1974 – 1981

	1974	1975	1976	1977	1978	1979	1980	1981
(Millions of dollars)								
Net new issues:								
Canadian dollars:								
Government of Canada — marketable securities ⁽¹⁾	1,813	1,340	3,481	6,352	8,728	9,592	9,452	4,173
Canada Savings Bonds	2,444	2,664	754	1,660	1,942	-1,329	-1,331	8,102
Total Government of Canada issues	4,257	4,004	4,235	8,021	10,670	8,263	8,121	12,275
Provinces and municipalities ⁽²⁾	1,499	3,172	3,696	3,985	4,486	3,234	5,776	2,859
Corporations	1,706	2,399	1,268	3,126	3,127	1,373	1,869	1,628
Total Canadian dollar issues	7,462	9,575	9,199	15,132	18,283	12,870	15,766	16,762
Foreign currencies:								
Government of Canada	-45	-37	-2	-2	2,315	726	-2	357
Provinces and municipalities	1,647	3,372	5,073	2,843	1,594	1,391	-306	5,539
Corporations	242	606	2,894	2,082	1,469	1,582	2,284	4,382
Total foreign-pay issues	1,816	3,941	7,977	4,925	5,378	3,699	2,588	10,278
Total net new issues	9,306	13,516	16,880	20,057	23,661	16,569	18,354	27,040
Taken up by:								
Bank of Canada	1,002	841	572	1,853	1,741	1,708	2,339	1,343
Chartered banks	1,472	-18	867	894	284	247	-116	201
Non-bank holders:								
Marketable securities	1,345	6,088	6,710	10,725	14,296	11,743	14,874	7,116
Canada Savings Bonds	3,651	2,664	754	1,660	1,942	-1,329	-1,331	8,102
Holders of Canadian foreign pay	1,836	3,943	7,977	4,925	5,398	4,200	2,588	10,278
Total bond issues	9,306	13,516	16,880	20,057	23,661	16,569	18,354	27,040

⁽¹⁾ Includes Canada treasury bills.

⁽²⁾ Excludes securities bought by the Canada Pension Plan.

Source: Bank of Canada and Department of Finance.

Reference Table 85
Mortgage Loan Approvals
1976 – 1981

	1976	1977	1978	1979	1980	1981
(Millions of dollars)						
Residential						
Private lenders						
NHA	4,444	6,207	4,446	4,147	3,410	2,889
New	3,225	3,936	2,093	1,586	1,330	1,551
Existing	1,219	2,271	2,353	2,561	2,080	1,338
Conventional	5,741	8,396	9,441	9,902	8,578	6,034
New	2,515	2,685	3,324	3,983	3,173	2,656
Existing	3,226	5,711	6,117	5,919	5,405	3,378
Total private	10,185	14,603	13,887	14,049	11,988	8,923
New	5,740	6,621	5,417	5,569	4,503	4,207
Existing	4,445	7,982	8,470	8,480	7,485	4,716
CMHC	662	363	289	21	22	25
New	616	326	254	15	16	16
Existing	46	37	35	7	6	9
Total residential	10,847	14,966	14,176	14,071	12,010	8,948
New	6,356	6,947	5,671	5,584	4,519	4,223
Existing	4,491	8,019	8,505	8,487	7,491	4,725
Total public and private	12,284	17,146	16,655	17,213	14,367	10,541
Residential	10,847	14,966	14,176	14,071	12,010	8,948
Non-residential	1,437	2,180	2,479	3,142	2,357	1,593

Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*.

Reference Table 86
Mortgage Loan Approvals by Private Lending Institutions⁽¹⁾
1976 – 1981

	1976	1977	1978	1979	1980	1981
	(Millions of dollars)					
Chartered banks	2,844	4,690	5,182	5,513	4,792	3,375
Residential	2,810	4,605	4,977	5,209	4,464	3,117
New	1,633	1,762	1,751	1,938	1,660	1,499
Existing	1,177	2,843	3,226	3,271	2,804	1,618
Non-residential	35	85	204	305	328	258
Life companies	2,168	3,014	2,504	2,865	2,498	1,873
Residential	1,183	1,610	1,200	1,239	1,278	1,012
New	981	1,208	853	823	719	609
Existing	202	402	347	416	559	403
Non-residential	985	1,404	1,304	1,626	1,220	861
Loan, trust, etc. ⁽²⁾	6,623	9,083	8,689	8,816	7,056	5,268
Residential	6,210	8,394	7,719	7,605	6,246	4,794
New	3,144	3,657	2,822	2,813	2,124	2,099
Existing	3,066	4,737	4,897	4,792	4,122	2,695
Non-residential	413	689	970	1,211	810	474
Total residential	10,203	14,609	13,896	14,053	11,988	8,923
Total non-residential	1,433	2,178	2,478	3,142	2,358	1,593
Total private	11,636	16,787	16,374	17,195	14,346	10,516

⁽¹⁾ Includes NHA and conventional lending.

⁽²⁾ Includes loan and trust companies, Quebec savings banks, fraternal and mutual benefit societies, pension funds and mortgage investment brokers.

Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*.

Reference Table 87

Monetary Aggregates and Selected Banking System Statistics
1970 – 1981

Years	Currency and demand deposits (M1)	Currency and all chequable deposits (M1B)	Currency and all chequable, notice and term deposits (M2)	Currency plus total privately held chartered banks deposits (M3)	Currency and privately held Canadian dollar deposits	General loans	Canadian dollar major assets	Ordinary personal loans	Business loans
	(Average of Wednesdays)						(End of period)		
	(Millions of dollars)								
1970.....	9,023	14,715	25,580	32,175	29,022	16,377	28,296	4,935	11,442
1971.....	10,170	16,069	28,755	35,495	33,215	18,054	32,690	5,861	12,193
1972.....	11,622	18,099	31,785	40,462	39,087	22,319	39,012	7,202	15,115
1973.....	13,312	20,253	36,291	46,510	44,335	27,438	45,684	9,064	18,374
1974.....	14,549	21,405	43,554	58,014	53,137	33,618	54,751	10,774	22,846
1975.....	16,554	23,465	50,118	66,610	62,460	39,118	63,444	12,838	26,279
1976.....	17,874	24,914	56,414	78,861	73,095	46,614	74,019	15,518	31,095
1977.....	19,374	26,700	64,341	91,346	84,265	54,209	85,678	18,362	35,846
1978.....	21,317	29,040	71,200	103,839	94,292	60,582	98,309	21,170	39,410
1979.....	22,791	30,448	82,360	123,857	112,192	72,514	117,036	24,539	47,979
1980.....	24,226	31,784	97,280	141,623	130,342	87,052	133,563	27,713	59,339
1981.....	24,952	32,462	111,147	158,640	150,417	109,225	159,086	31,727	77,525
	(Per cent change)								
1970.....	2.4	-4.1	6.8	—	5.5	3.9	5.2	5.1	3.4
1971.....	12.7	9.2	12.4	10.3	14.4	10.2	15.5	13.3	6.6
1972.....	14.3	12.6	10.5	14.0	17.7	23.6	19.3	22.9	24.0
1973.....	14.5	11.9	14.2	14.9	13.4	22.9	17.1	25.9	21.6
1974.....	9.3	5.7	20.0	24.7	19.9	22.5	19.8	18.8	24.3
1975.....	13.8	9.6	15.1	14.8	17.5	16.4	15.9	19.2	15.0
1976.....	8.0	6.2	12.6	18.4	17.0	19.2	16.7	20.9	18.3
1977.....	8.4	7.2	14.1	15.8	15.3	16.3	15.8	18.3	15.3
1978.....	10.0	8.8	10.7	13.7	11.9	11.7	14.7	15.3	9.9
1979.....	6.9	4.8	15.7	19.3	19.0	19.7	19.1	15.9	21.7
1980.....	6.3	4.4	18.1	14.3	16.2	20.1	14.1	12.9	23.7
1981.....	3.0	2.1	14.3	12.0	15.4	25.1	19.0	14.5	30.6

Source: Bank of Canada, *Review*, monthly.

Reference Table 88
Canadian Marketable Securities
Supply of Securities and Distribution of Holdings
(Flows)
1972 – 1981

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1980 ⁽¹⁾	1981 ⁽¹⁾
(Millions of dollars)											
Supply of securities											
Short-term securities											
Government of Canada treasury bills	331	556	938	561	1,602	2,350	2,673	2,282	5,451	4,505	2,135
Junior government treasury bills and notes	36	-72	-55	294	-86	-317	259	-67	293	341	535
Other short-term paper	272	872	2,744	304	1,149	790	2,368	3,867	5,555	6,363	3,320
Long-term securities											
Government of Canada bonds	30	225	801	716	1,768	3,785	5,764	7,616	7,202	5,301	4,089
Junior government bonds	2,245	1,797	3,093	5,544	7,485	6,026	4,789	4,421	3,496	2,634	4,180
Bonds issued by non-financial corporations	863	750	1,457	2,112	2,132	2,028	1,563	474	2,141	1,474	3,013
Bonds issued by financial corporations	638	822	584	686	1,546	1,027	1,046	991	351	262	779
Bonds issued by public corporations	15	34	-1	1	521	560	470	825	1,070	1,049	1,074
Stocks	659	1,288	1,266	1,687	1,171	3,011	7,923	6,203	7,100	4,606	5,831
Foreign investment	-244	-69	-46	17	-79	-221	-25	582	114	-122	69
Total	4,845	5,753	10,781	11,922	17,209	19,039	26,830	27,194	32,773	26,413	25,025
Distribution of holdings											
Residents	3,652	5,047	8,898	7,041	7,665	13,466	21,943	22,791	26,287	20,755	17,688
Bank of Canada	590	608	1,103	734	637	1,749	1,706	1,606	2,242	1,397	-72
Chartered banks	148	-82	1,545	-123	1,504	3,581	7,183	48	-910	-474	2,477
Near banks	187	65	-52	595	523	1,340	1,155	1,281	3,234	2,754	1,897
Insurance and pension institutions	2,146	2,287	2,318	3,633	4,023	4,420	5,959	8,351	9,595	6,185	7,579
Other private financial institutions	269	-247	712	730	1,311	772	1,315	699	1,159	1,719	1,000
Other residents	311	2,416	3,272	1,472	-333	1,604	4,625	10,806	10,966	9,174	4,807
Non-residents	1,193	706	1,883	4,881	9,544	5,573	4,887	4,403	6,486	5,658	7,337

⁽¹⁾ January to September.

Source: Department of Finance and Bank of Canada.

Reference Table 89
Credit Expansion by Sector (Flows)
1972 – 1981

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1980 ⁽²⁾	1981 ⁽²⁾
(Millions of dollars)											
Funds raised in credit markets											
By domestic private sector.....	11,028	17,062	21,553	19,327	23,956	27,207	34,319	43,345	43,543	30,765	44,514
(Per cent of GNP)	10.5	13.8	14.6	11.7	12.5	13.0	14.9	16.5	15.0	14.4	18.3
Loans to persons	2,338	2,709	3,058	3,099	4,175	3,311	4,813	4,936	4,972	2,640	3,699
Mortgages	4,203	6,866	7,504	7,818	10,329	13,168	16,226	13,905	10,516	7,352	6,606
Non-financial business short-term	2,073	3,901	7,277	2,666	4,896	3,694	3,980	14,718	15,053	11,819	21,790
Non-financial business long-term ⁽¹⁾	2,193	2,991	3,297	5,197	3,638	6,455	8,190	7,824	11,572	8,101	11,708
Short term by other private domestic	221	595	417	547	918	579	1,110	1,962	1,430	854	711
By government sector	4,354	2,773	7,831	11,456	13,603	14,673	23,156	12,532	19,259	12,317	11,186
Federal	1,556	— 54	4,185	3,940	4,124	7,795	13,691	6,682	12,044	6,887	2,848
Federal enterprises	113	262	— 69	647	710	510	2,534	763	1,772	1,752	3,574
Provincial	2,227	1,882	2,732	5,362	7,514	5,760	6,460	4,327	5,121	3,746	5,051
Municipal	458	683	983	1,507	1,255	608	471	760	322	— 68	— 287
By non-residents	875	1,953	1,621	2,674	4,049	2,569	6,196	4,160	4,567	4,706	13,172
Total	16,257	21,788	31,005	33,457	41,608	44,449	63,671	60,037	67,369	47,788	68,872
(Per cent of GNP)	15.4	17.6	21.0	20.2	21.8	21.3	27.6	22.9	23.2	22.3	28.3
Funds raised abroad	2,816	2,091	3,646	6,905	10,329	7,955	10,673	10,289	8,881	5,453	22,008
(Per cent of GNP)	13.441	19,697	27,359	26,552	31,279	36,494	52,998	49,748	58,488	42,335	46,864
Funds raised by Canadians	12,566	17,744	25,738	23,878	27,230	33,925	46,802	45,588	53,921	37,629	33,692
(Per cent of GNP)	11.9	14.4	17.4	14.4	14.3	16.2	20.3	17.4	18.6	17.6	13.8

(1) Bonds plus stocks plus direct investment from abroad plus bank loans.

(2) January to September.

Source: Department of Finance and Bank of Canada.

Reference Table 90
Credit Expansion by Instrument (Flows)
1972 – 1981

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1980 ⁽¹⁾	1981 ⁽¹⁾
	(Millions of dollars)										
Total funds raised in credit markets	16,257	21,788	31,004	33,458	41,609	44,449	63,670	60,037	67,369	47,787	68,872
Short-term instruments	6,934	9,217	14,741	12,421	16,732	12,987	22,889	21,155	28,692	20,759	36,822
Money market instruments	147	329	2,321	1,078	1,855	1,945	3,359	3,977	8,584	8,968	5,532
Bank loans	4,813	7,178	7,864	5,989	9,687	6,161	11,208	15,759	16,924	9,249	24,090
Other loans	468	1,309	2,217	1,379	1,396	2,269	3,366	3,062	3,883	2,360	2,103
Saving bonds	1,245	-437	2,367	2,927	884	1,588	2,013	-1,475	-705	-1,928	-3,386
Loans to non-residents	261	838	-27	1,048	2,910	1,024	2,943	-168	6	2,111	8,483
Longer-term instruments	9,323	12,571	16,262	21,037	24,877	31,462	40,781	38,882	38,677	27,028	32,050
Mortgages from private lenders	4,203	6,866	7,504	7,818	10,329	13,168	16,226	13,905	10,516	7,352	6,606
Marketable bonds	3,146	2,349	5,143	8,354	11,897	12,323	12,580	13,329	13,904	10,454	12,059
Equities	484	1,118	955	1,315	933	2,671	6,877	5,230	5,828	3,905	4,866
Bank loans	256	293	167	1,199	879	1,280	1,760	1,415	3,283	1,917	7,485
Direct investment from abroad	620	830	845	725	-300	475	85	675	585	805	-3,655
Loans to non-residents	614	1,115	1,648	1,626	1,139	1,545	3,253	4,328	4,561	2,595	4,689

(1) January to September.

Source: Department of Finance and Bank of Canada.

Reference Table 91
Chartered Banks (Flows)
1972 – 1981

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1980 ⁽¹⁾	1981 ⁽¹⁾
(Millions of dollars)											
Total assets held with Canadians	6,410	9,398	11,398	8,892	11,695	15,318	22,008	22,060	17,134	8,848	34,052
Total Canadian dollar assets	6,511	9,221	10,267	8,330	11,190	13,084	16,786	20,917	14,519	8,184	24,872
Canadian liquid assets	337	571	1,646	185	1,509	1,821	984	1,480	-536	-477	1,409
Treasury bills	264	469	270	-269	707	717	537	1,087	793	966	2,107
Other	73	102	1,376	454	802	1,104	447	393	-1,329	-1,443	-698
Less liquid assets	6,174	8,650	8,621	8,145	9,681	11,263	15,802	19,438	15,055	8,661	23,463
Ordinary personal loans	1,367	1,734	1,939	2,332	2,965	2,520	2,941	3,506	3,667	2,473	2,917
Mortgages	1,086	1,170	1,459	1,677	1,383	2,663	3,416	2,896	441	362	-1,891
Business loans	2,393	3,674	3,433	2,660	4,990	3,105	3,118	10,425	10,519	6,547	16,828
Other bank loans	563	1,131	766	990	661	276	1,457	2,416	1,195	-80	1,978
Corporate securities	308	-117	564	131	722	1,303	3,683	-286	-633	-359	962
Other assets	457	1,058	460	355	-1,040	1,396	1,187	481	-134	-282	2,669
Foreign currency loans to residents	-101	191	1,093	557	507	1,010	2,334	1,071	2,936	981	9,195
Government of Canada	0	0	0	0	0	0	1,632	-1,276	362	-356	261
Others	-101	191	1,093	557	507	1,010	702	2,347	2,574	1,337	8,934
Foreign currency securities of residents	0	-14	38	5	-1	1,224	2,888	72	-320	-316	-15
Liabilities with Canadians	5,673	9,793	12,808	8,333	12,579	13,642	19,356	18,765	15,844	10,227	18,523
Non deposit liabilities	641	553	531	781	855	874	1,586	1,761	1,462	509	2,773
Deposit liabilities	5,032	9,240	12,277	7,552	11,724	12,768	17,770	17,004	14,382	9,718	15,750
Foreign currency deposits	-85	1,403	2,044	-523	1,823	871	3,297	-559	1,031	888	-4,573
Canadian dollar deposits	5,117	7,837	10,233	8,075	9,901	11,897	14,473	17,563	13,351	8,830	20,323
Personal savings deposits	2,166	4,655	5,185	3,448	7,241	4,470	6,580	12,688	10,729	9,338	12,976
Government of Canada	168	-46	2,321	-1,019	-560	1,630	1,733	-4,048	1,675	-471	-288
Demand deposits	1,286	1,378	470	2,684	-880	2,240	1,226	453	1,220	1,062	-1,540
Other deposits	1,497	1,850	2,257	2,962	4,100	3,557	4,934	8,470	-273	-1,099	9,175
Net position with non-residents booked in Canada	637	-343	-1,354	489	-941	1,384	2,771	4,105	1,406	-864	16,119
Residual claim on non-residents	100	-52	-55	71	57	292	-118	-810	-116	-516	-590

(1) January to September.

Source: Department of Finance and Bank of Canada.

Reference Table 92
Other Deposit Accepting Institutions (Flows)
1972 – 1981

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1980 ⁽¹⁾	1981 ⁽¹⁾
(Millions of dollars)											
Net lending or borrowing	38	16	- 10	60	39	60	52	- 41	- 91	- 84	3
Net financial investment	38	16	- 11	62	41	61	52	- 41	- 91	- 84	3
Net increase in financial assets	3,283	4,842	4,381	5,878	7,637	9,303	10,024	11,063	13,225	9,203	11,613
Currency and deposits	286	304	348	- 18	367	534	291	148	265	- 86	1,529
Deposits in other institutions	82	- 46	27	331	37	77	- 25	32	160	149	279
Foreign currency and deposits ..	- 98	146	- 12	209	149	- 90	97	- 178	- 41	139	- 237
Consumer credit	313	467	422	545	776	701	1,165	1,100	760	591	583
Other loans	166	74	165	196	460	35	189	585	581	501	587
Government of Canada treasury bills	- 1	1	2	17	7	92	57	- 131	556	304	- 135
Finance company and other short-term commercial paper	- 81	- 51	43	61	192	501	- 316	155	1,068	967	1,160
Mortgages	2,284	3,680	3,284	3,779	4,978	6,451	6,606	8,017	7,143	4,831	5,979
Bonds											
Government of Canada bonds ..	55	- 127	- 48	13	40	222	440	270	543	505	115
Provincial government bonds	69	11	- 51	175	142	92	128	35	399	398	32
Municipal government bonds	41	128	- 14	115	8	37	65	- 80	- 93	- 38	- 119
Other Canadian bonds	84	66	- 43	146	65	140	184	627	661	464	777
Claims on associated corporate enterprises	6	24	89	163	213	105	187	- 4	569	138	185
Stocks	18	38	71	83	93	375	607	352	147	192	175
Foreign investments	1	- 3	4	11	0	4	19	3	50	33	- 34
Other financial assets	146	130	94	52	110	27	330	132	457	115	737
Net increase in liabilities	3,245	4,826	4,392	5,816	7,596	9,242	9,972	11,104	13,316	9,287	11,610
Currency and deposits	3,080	4,257	4,012	5,367	6,574	8,261	8,907	9,247	10,916	7,224	8,996
Loans											
Bank loans	- 2	70	- 80	3	- 18	61	69	185	- 151	- 194	691
Other loans	48	32	2	11	131	249	221	737	763	448	514
Finance company and other short-term commercial paper	0	65	82	- 85	91	52	79	74	46	234	197
Mortgages	0	0	0	0	0	21	- 32	8	20	3	- 51
Other Canadian bonds	0	185	139	134	301	155	86	172	116	147	123
Claims on associated corporate enterprises	10	42	4	46	139	36	24	23	160	152	- 1
Stocks	35	36	75	128	152	182	231	196	409	324	198
Other liabilities	74	139	158	212	226	225	387	462	1,037	949	943
Discrepancy	0	0	1	- 2	- 2	- 1	0	0	0	0	0

⁽¹⁾ January to September.

Source: Statistics Canada, *Financial Flow Accounts*, cat. 13-002.

Reference Table 93
Insurance Companies and Pension Funds (Flows)
1972 – 1981

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1980 ⁽¹⁾	1981 ⁽¹⁾
(Millions of dollars)											
Net lending or borrowing	-67	-91	-100	-108	-144	-144	-102	-350	-461	-339	-398
Net financial investment	-67	-91	-100	-108	-144	-144	-102	-350	-461	-339	-398
Net increase in financial assets	2,836	3,608	4,072	5,021	6,502	7,510	8,896	11,257	13,149	8,860	10,255
Currency and deposits											
Currency and bank deposits	136	104	286	84	86	187	160	473	745	653	208
Deposits in other institutions	14	70	-12	-77	-2	141	17	17	1	15	76
Foreign currency and deposits ..	0	23	-13	-11	2	4	76	-13	2	25	28
Consumer credit	19	73	178	95	85	65	86	196	300	247	512
Trade receivables	33	-17	-3	-9	140	52	193	46	87	59	53
Other loans	-6	12	25	-16	43	-25	-18	81	161	-3	5
Government of Canada treasury bills	1	0	3	15	17	86	164	-20	218	221	59
Finance company and other short-term commercial paper	110	58	299	157	12	663	553	1,410	-176	152	1,028
Mortgages	437	943	1,193	1,300	1,962	2,451	2,153	2,275	2,045	1,499	1,732
Bonds											
Government of Canada bonds ..	59	-99	9	42	439	643	1,286	2,932	2,370	1,526	1,290
Provincial government bonds	466	851	557	1,163	1,273	1,558	1,994	1,586	2,284	1,470	1,572
Municipal government bonds	-34	26	35	82	100	243	143	264	227	201	221
Other Canadian bonds	529	671	923	1,356	1,034	922	1,093	654	1,501	1,192	1,184
Claims on associated enterprises ..	0	0	0	0	0	0	48	31	74	46	1
Stocks	988	752	503	653	968	305	433	772	2,418	1,268	1,745
Foreign investments	9	23	-8	150	180	0	143	610	622	379	313
Other financial assets	75	118	97	37	163	215	372	-57	270	214	228
Net increase in liabilities	2,903	3,699	4,172	5,129	6,646	7,654	8,998	11,607	13,610	9,199	10,653
Trade payables	0	0	0	0	0	0	17	-2	1	7	11
Bank loans	0	0	0	0	0	0	12	-28	48	123	375
Other loans	0	0	0	0	0	0	0	2	0	10	7
Mortgages	0	0	0	0	0	0	-23	34	30	12	-2
Life insurance and pensions	2,898	3,691	4,153	5,111	6,631	7,637	8,858	11,454	13,457	9,031	10,274
Claims on associated corporate enterprises	0	0	0	0	0	0	-7	-3	-42	-35	9
Stocks	5	8	19	18	15	17	8	2	1	1	51
Other liabilities	0	0	0	0	0	0	133	148	115	50	-72

⁽¹⁾ January to September.

Source: Statistics Canada. *Financial Flow Accounts*.

Reference Table 94
Other Private Financial Institutions (Flows)
1972 – 1981

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1980 ⁽¹⁾	1981 ⁽¹⁾
(Millions of dollars)											
Net lending or borrowing	267	203	204	459	629	452	411	499	320	320	105
Net financial investment	267	203	204	459	629	452	411	499	320	320	105
Net increase in financial assets	1,500	2,098	3,820	2,733	4,499	4,386	5,961	6,820	6,855	6,136	8,212
Currency and deposits											
Currency and bank deposits	87	-32	-58	213	327	120	353	1,030	-147	-384	-346
Deposits in other institutions	33	27	-40	69	-33	-18	92	-100	9	9	-108
Foreign currency and deposits ..	18	71	-121	75	135	64	-21	343	26	101	551
Consumer credit	286	368	159	70	62	-12	282	117	55	-246	278
Trade receivables	2	10	70	121	59	71	27	128	146	160	257
Other loans	374	753	1,715	698	644	1,449	1,470	2,384	3,455	2,332	1,960
Government of Canada treasury bills	13	-62	68	163	68	234	125	-99	680	789	116
Finance company and other short-term commercial paper	391	-325	583	278	319	-200	797	207	-364	256	-300
Mortgages	153	545	514	411	569	845	835	382	315	291	-153
Bonds											
Government of Canada bonds ..	3	-11	-23	-47	373	337	363	508	500	487	174
Provincial government bonds	71	66	96	179	151	131	134	94	35	21	55
Municipal government bonds	-8	49	41	47	28	97	23	10	25	6	-10
Other Canadian bonds	137	197	100	204	260	202	68	-62	-93	-45	93
Claims on associated corporate enterprises	189	337	672	675	1,116	939	899	1,820	996	857	5,138
Stocks	-314	16	-163	-86	-6	11	-160	-131	35	-26	373
Foreign investments	-215	-178	-50	-12	-64	-87	-1	154	169	100	104
Other financial assets	280	267	257	-325	491	203	675	35	1,013	1,428	30
Net increase in liabilities	1,233	1,895	3,616	2,274	3,870	3,934	5,550	6,321	6,535	5,816	8,107
Currency and deposits	0	0	0	0	27	37	29	11	14	8	24
Trade payables	23	29	33	22	48	52	58	71	-2	-1	41
Loans											
Bank loans	177	262	556	161	-212	312	120	1,238	10	-2	1,249
Other loans	207	-414	222	255	311	-223	544	-173	272	878	715
Finance company and other short-term commercial paper	342	859	1,255	202	612	916	1,687	1,757	2,697	1,716	2,406
Mortgages	13	-48	21	6	2	1	7	9	-6	-4	35
Other Canadian bonds	304	485	381	660	1,198	795	571	422	259	438	109
Life insurance and pensions	0	0	0	0	0	0	237	267	206	157	239
Claims on associated corporate enterprises	-34	234	550	220	262	354	-174	1,158	872	574	-218
Stocks	-226	24	15	291	396	509	1,276	1,145	1,092	590	2,563
Other liabilities	427	464	583	457	1,226	1,181	1,195	416	1,121	1,462	944
Discrepancy	0	0	0	0	0	0	0	0	0	0	0

⁽¹⁾ January to September.

Source: Statistics Canada, *Financial Flow Accounts*.

Reference Table 95
Non-Financial Private Corporations (Flows)
1972 – 1981

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1980 ⁽¹⁾	1981 ⁽¹⁾
(Millions of dollars)											
Net lending or borrowing	-3,431	-4,139	-7,464	-3,218	-3,711	-4,455	-6,047	-7,303	-8,282	-5,830	-14,766
Net financial investment	-2,232	-2,711	-7,139	-4,263	-5,209	-3,712	-5,529	-8,860	-10,247	-7,122	-15,936
Net increase in financial assets	3,390	6,384	8,994	6,559	5,610	8,192	17,849	19,208	19,937	11,916	21,423
Currency and deposits											
Currency and bank deposits	58	272	477	656	859	929	1,387	-443	1,356	-309	-1,054
Deposits in other institutions	104	-109	-33	-72	66	1	296	257	-177	-103	-381
Foreign currency and deposits ..	54	371	-2	-207	578	-96	832	288	79	-50	-970
Consumer credit	17	109	133	96	-38	17	30	-60	-92	-9	318
Trade receivables	1,396	3,101	5,042	3,759	2,276	3,877	8,162	7,117	6,592	4,760	8,183
Other loans	8	79	97	204	-130	518	545	433	249	161	791
Government of Canada											
Treasury bills	-23	73	-79	16	37	-8	0	39	59	35	117
Finance company and other											
short-term commercial paper	165	488	-84	353	-239	245	238	1,152	1,115	572	-871
Mortgages	102	19	44	7	79	17	655	-70	63	-22	746
Bonds											
Government of Canada bonds ..	37	-28	-4	-6	-30	14	36	-1	-8	-11	-10
Provincial government bonds	-40	4	-49	104	-4	12	-25	-3	11	30	-32
Municipal government bonds	-11	10	1	13	-2	-11	-3	21	-68	-65	12
Other Canadian bonds	18	-29	-73	15	-19	-33	51	46	-122	-51	-255
Claims on associated											
corporate enterprises	973	1,177	1,967	1,194	1,452	2,595	3,768	6,935	7,041	4,591	11,605
Stocks	312	78	214	-29	23	-28	445	782	710	444	528
Foreign investments	-127	28	40	-69	1	73	160	-81	291	277	118
Other financial assets	347	741	1,303	525	701	70	1,272	2,796	2,838	1,666	2,578
Net increase in liabilities	5,622	9,095	16,133	10,822	10,819	11,904	23,378	28,068	30,184	19,038	37,357
Trade payables	1,660	2,315	4,857	2,523	1,177	2,087	5,701	6,420	6,561	2,424	3,227
Loans											
Bank loans	1,697	2,624	3,144	2,440	2,970	1,203	3,902	5,304	6,474	5,165	13,962
Other loans	278	711	569	905	720	805	924	2,041	1,616	999	2,780
Finance company and other											
short-term commercial paper	-238	-177	1,463	212	353	-408	477	994	11	364	1,145
Mortgages	336	320	500	332	757	410	1,257	870	1,788	1,220	2,104
Other Canadian bonds	863	750	1,457	2,112	2,132	2,028	1,563	474	2,141	1,474	3,013
Claims on associated											
corporate enterprises	302	173	871	661	1,103	1,410	1,466	2,026	2,836	2,241	3,686
Stocks	454	1,118	828	1,161	927	2,672	4,782	5,260	5,563	3,905	4,865
Other liabilities	270	1,261	2,444	476	680	1,697	3,306	4,679	3,194	1,246	2,577
Discrepancy	-1,199	-1,428	-325	1,045	1,498	-743	-518	1,557	1,965	1,292	1,170

⁽¹⁾ January to September.

Source: Statistics Canada, *Financial Flow Accounts*.

Reference Table 96
Selected Interest Rates: Canada-United States
1968-1981

Years	Canada					United States				
	Bank rate	3-month Treasury Bills	Government of Canada bonds: over 10 years	Prime corporate paper: 90 days	Bank prime lending rate	5-year conventional mortgage rate	Discount rate	Federal funds	Commer- cial paper: 90 days	Bank prime lending rate
(Annual average, in per cent)										
1968	6.79	6.27	6.75	6.82	6.92	9.06	5.23	5.67	5.88	6.33
1969	7.46	7.19	7.58	7.85	7.96	9.84	5.88	8.06	8.33	8.00
1970	7.13	5.99	7.91	7.34	8.17	10.45	5.94	6.98	8.11	7.81
1971	5.19	3.56	6.95	4.51	6.48	9.43	4.83	4.66	5.17	5.69
1972	4.75	3.56	7.23	5.10	6.00	9.21	4.50	4.48	4.83	5.29
1973	6.13	5.47	7.56	7.45	7.65	9.59	6.54	8.80	8.55	8.17
1974	8.50	7.82	8.90	10.51	10.75	11.24	7.85	10.42	10.33	10.75
1975	8.50	7.39	9.03	7.94	9.42	11.43	6.21	5.84	6.26	7.73
1976	9.29	8.87	9.18	9.17	10.04	11.78	5.46	5.07	5.31	6.81
1977	7.71	7.33	8.70	7.47	8.50	10.36	5.52	5.62	5.75	6.88
1978	8.98	8.68	9.27	8.83	9.69	10.59	7.54	8.05	8.32	9.17
1979	12.10	11.69	10.21	12.07	12.90	11.98	10.38	11.32	11.44	12.79
1980	12.89	12.79	12.48	13.15	14.25	14.32	11.75	13.21	13.03	15.44
1981	17.93	17.72	15.22	18.33	19.29	18.15	13.42	15.96	15.89	18.75
(Last Wednesdays, per cent)										
1981 J	17.00	16.86	12.96	17.25	18.25	15.17	13.00	18.12	17.20	19.50
F	17.14	16.83	13.38	17.15	18.25	15.27	13.00	14.96	15.49	18.50
M	16.59	16.44	13.48	17.00	17.75	15.75	13.00	13.48	13.99	17.00
A	17.40	17.35	15.07	17.50	18.25	16.45	14.00	16.28	16.15	17.50
M	19.06	18.43	14.96	19.00	19.50	17.82	14.00	18.71	17.86	20.50
J	19.07	18.83	15.03	19.20	20.00	18.55	14.00	19.20	16.88	20.00
J	19.89	20.29	17.07	21.25	21.00	18.90	14.00	18.54	18.21	20.50
A	21.03	20.82	16.77	22.20	22.75	21.30	14.00	17.41	18.16	20.50
S	19.63	19.35	17.66	19.60	21.25	21.46	14.00	15.00	16.58	19.00
O	18.30	17.96	16.66	18.80	20.00	20.54	14.00	14.87	15.42	18.00
N	15.40	15.07	14.32	15.40	17.25	18.80	13.00	12.42	11.56	15.75
D	14.66	14.41	15.27	15.65	17.25	17.79	12.00	12.54	13.20	15.75

Source: Bank of Canada, Review, Monthly.

Economic Review

April 1983

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Canada

Economic Review

April 1983

A general review of recent economic developments
presented by
The Honourable Marc Lalonde
Minister of Finance



Department of Finance
Canada

Ministère des Finances
Canada

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Available in Canada through

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or by mail from

Canadian Government Publishing Centre
Supply and Services Canada
Ottawa, Canada K1A 0S9

Catalogue No. FI-21/1983E

Canada: \$9.95

ISBN 0-660-11316-3

Other countries: \$11.95

Price subject to change without notice

Front Cover: Telesat Canada Anik C3 communications satellite rises gently out of the cargo bay of the NASA space shuttle orbiter Columbia. Explosive bolts holding the Canadian satellite down in the cargo bay have just been fired and, spinning at about 50 revolutions per minute, it moves off into space 300 kilometers above the equator. The ball-shaped appendage beneath the satellite is a small rocket motor which boosted Anik C into a higher orbit. The satellite now provides communications services across all of Canada. NASA photo courtesy Telecast Canada.

Contents

1 A General Overview of Developments in 1982	1
International Developments and Policy Environment	1
Domestic Developments and Policy Environment	2
Major Factors Affecting the Depth of Canada's 1981-1982 Recession	4
Developments at Year-end	6
2 Price and Wage Developments	7
Price Developments	7
Labour Costs	10
Canada-United States Comparisons of Price and Wage Developments	11
Shares of Net National Income	14
3 Personal, Housing and Business Sectors	15
Sources of Income	15
Personal Expenditure	15
Inflation-adjusted Savings Rate	16
Housing	19
Fixed Investment	20
Inventories	23
Corporate Profits	23
Corporate Liquidity	24
Sources and Uses of Funds	25
4 The Labour Market	27
Labour Supply	29
Labour Demand	30
Part-time Employment	33
Canada-United States Comparison of Labour Market Developments	33
5 Sectoral and Regional Developments	37
Sectoral Developments	37
Regional Developments	41
Atlantic Region	41
Quebec	41
Ontario	44
Prairie Region	45
British Columbia	45
6 Balance of Payments	49
Current Account	49
Merchandise Trade	50
International Competitiveness	53
Services	54
Interest and Dividends	54
Other Services	56
Travel	57
Capital Account, Exchange Rate and International Reserves	57

7 The Government Sector	61
Federal Government	61
Debt Management	63
Provincial and Local Governments	68
Canada and Quebec Pension Plans	73
Total Government Sector	73
8 Financial Developments	79
Short-term Interest Rates	79
Long-term Interest Rates	81
Interest Rates and Inflation	84
Financial Markets in 1982	85
Non-financial Business Sector	85
Securities Market	88
Personal Sector	88
Chartered Banks	89
Non-bank Financial Institutions	91
9 International Comparisons	93
Real Output Growth	93
Labour Markets	93
Inflation	93
Labour Productivity	93
Interest and Exchange Rates	95
Balance of Payments	95
Budget Balances	96
10 Inflation and the Consumer Price Index	99
Measures of Prices	99
Canada-United States Comparisons	100
Regulated versus Non-regulated Prices	103
Indirect Taxes and the Consumer Price Index	105
11 Productivity Developments	109
Canada's Comparative Productivity Performance	109
A Comparison of Canadian and United States Productivity Trends	111
Factors Responsible for the Productivity Slowdown in Canada and the United States	111
Canada-United States Comparison of Cyclical Behaviour of Output and Productivity	113

Tables

1.1	Summary of Real Gross National Expenditure in Canada	3
1.2	A Comparison of Relative Size of Contributing Factors in the Recessions of 1981-1982 and 1974	4
1.3	An International Comparison of Changes in Real GNE/GDP Over the Period 1973-1982	5
2.1	Recent Price Inflation in Canada	9
2.2	Recent Wage Settlements in Canada	11
2.3	Canada-U.S. Comparison of Price and Wage Developments	12
3.1	Sources and Disposition of Personal Income	16
3.2	Percentage Share and Growth of Consumer Expenditure Categories	17
3.3	Estimated Mortgage Debt in Relation to House Values	18
3.4	Personal Savings Rate, Actual and Adjusted for Inflation	18
3.5	New Housing Indicators	19
3.6	New Business Capital Expenditures (Current dollars)	21
3.7	Selected Financial Ratios of Large Industrial Corporations	24
3.8	Sources and Uses of Funds of Large Industrial Corporations for All Industries	25
4.1	Labour Force Developments	27
4.2	Factors Contributing to Labour Force Growth, 1982	29
4.3	Discouraged Workers—Proxy Indicators	30
4.4	Measures of Employment and Output in 1982	31
4.5	Cumulative Change in Employment and Output in the 1974-75, 1979-1980 and 1981-1982 Recessions	32
4.6	Full- and Part-time Employment in Canada During 1975-1982	34
4.7	Major Labour Market and Output Indicators in Canada and the U.S. during 1982 and since July 1981	35
5.1	Main Economic Indicators by Sector	42
5.2	Main Economic Indicators by Region	46
6.1	Summary of the Current Account of Canada's Balance of International Payments	50
6.2	Canada's Merchandise Imports (Balance of payments basis)	51
6.3	Canada's Merchandise Exports (Balance of payments basis)	52
6.4	Trade Balance by Commodity Group and Country Group	53
6.5	Trade Balance in Manufactured End Products (Customs basis)	54
6.6	Changes in Canada's International Competitiveness in Manufacturing	55
6.7	Services Balance	56
6.8	Canada's Balance of International Payments	58
7.1	Federal Government Revenue, Expenditure and Net Position (National accounts basis)	61
7.2	Federal Government Revenue (National accounts basis)	62
7.3	Federal Government Expenditure (National accounts basis)	64
7.4	Federal Government Financial Transactions (Extended national accounts presentation)	65
7.5	Outstanding Government of Canada Direct and Guaranteed Securities (Denominated in Canadian dollars)	66
7.6	Non-Bank General Public Holdings of Government of Canada Direct and Guaranteed Securities (Denominated in Canadian dollars)	67
7.7	Government of Canada Financial Requirements and Sources of Financing, Fiscal 1982 (April 1 – December 31, 1982) (Public accounts presentation)	68
7.8	Provincial-Local Government (Including Hospitals) Revenue, Expenditure and Net Position Summary (National accounts basis)	69
7.9	Provincial-Local Government (Including Hospitals) Revenue and Expenditure Components (National accounts basis)	70

7.10	Estimated Impacts on Provincial Government Own-Source Revenues in 1982 and Discretionary Tax Measures	71
7.11	Provincial-Local Government (Including Hospitals) and Crown Enterprise Borrowing Requirements and Financing (Financial flow accounts basis)	72
7.12	Canada and Quebec Pensions Plans Revenue, Expenditures and Net Position (National accounts basis)	74
7.13	Total Government Revenue, Expenditure and Net Position (National accounts basis)	75
7.14	Total Government Revenues (National accounts basis)	75
7.15	Total Government Expenditures (National accounts basis)	76
8.1	Monetary Growth and Interest Rates	80
8.2	Credit Expansion	86
8.3	Credit Expansion by Instrument	86
8.4	Private Non-Financial Business Borrowing	87
8.5	Selected Credit Measures	87
8.6	Net New Issues of Marketable Bonds and Stocks	88
8.7	Loans to Persons	89
8.8	Mortgage Lending	90
8.9	Chartered Bank Assets	90
8.10	Change in Assets of Insurance Companies and Pension Institutions	91
8.11	Change in Assets of Non-Bank Deposit-Accepting Institutions	91
9.1	Evolution of Selected OECD Economic Indicators	94
9.2	Evolution of Interest Rates and Exchange Rates for the Large OECD Countries	95
9.3	Current Account Balances of OECD Countries	96
9.4	An International Comparison of Central and Total Government Budget Balances as Percentages of Gross Domestic Product or Gross National Product (GDP/GNP)	97
10.1	A Comparison of Alternative Indexes of Price Inflation	100
10.2	Canada-U.S. Consumer Price Index Comparisons	101
10.3	Contributions of Selected Sub-Aggregates to the CPI Rate of Inflation in Canada and the U.S.	102
10.4	Alternative Prices of Regulated Commodities	106
10.5	Rates of Inflation of the CPI Including and Excluding Indirect Taxes	106
11.1	Labour Productivity in Manufacturing in Major OECD Countries	109
11.2	A Comparison of Canadian and U.S. Business Sector Labour Productivity, 1950-1981	110
11.3	A Comparison of Canadian and U.S. Productivity Slowdowns at the Sectoral Level, 1967-1973 and 1974-1978	110
11.4	The Cyclical Behaviour of Output, Employment and Productivity in Canada and the U.S.	114
11.5	Productivity Growth in Canada and the U.S. During Recoveries (Cumulative change over four quarters following output trough)	115

Charts

2.1 Consumer Price Index (Year-to-year per cent change)	8
2.2 Shares of Net National Income at Factor Cost (Annual per cent shares)	13
3.1 Housing Starts	20
3.2 Real Business Inventories and Sales	22
4.1 Participation and Unemployment Rates	28
5.1 Gross Domestic Product in Constant (1971) Prices (Year-over-year per cent change)	38
5.2 Regional Unemployment Rates	43
6.1 Balance of Payments Current Account.....	49
6.2 Canada's Competitiveness in the Manufacturing Sector (Competitiveness Index 1970= 100)....	56
6.3 Canadian Balance of International Payments.....	59
6.4 Price Indexes for the Canadian Dollar Relative to the Currencies of the Group of Ten Countries, 1971= 100	60
7.1 Federal Government National Accounts Balance (As a percentage of GNP).....	77
8.1 Narrowly Defined Money Supply	80
8.2 Selected Short-Term Interest Rates	82
8.3 Selected Long-Term Interest Rates	83
8.4 Yield Curves, Government of Canada Bonds	84
8.5 Net Funds Raised in Credit Markets.....	85
10.1 Comparison of Regulated and Non-Regulated Price Changes.....	104

1. A General Overview of Developments in 1982

International Developments and Policy Environment

The 1980 to 1982 period was predominantly one of relative stagnation in the economies of the western industrialized countries. This stagnation occurred largely because of the output-depressing effects of the second oil price shock during 1979-1980, combined with restrictive fiscal and monetary policies designed to curb the inflationary impacts of the shock. The average rate of inflation in the OECD economies fell dramatically in 1982 after peaking in 1980.

The world price of oil more than doubled during 1979 and 1980. This supply shock, directly and indirectly through its impact on other costs of production, pushed up the average inflation rate in the seven major countries of the Organization for Economic Cooperation and Development ⁽¹⁾ (OECD) about 3 percentage points to 12.2 per cent in 1980, the highest rate since 1974, the year of the first oil price shock. The OECD countries responded with restrictive fiscal and monetary policies to contain and reduce the inflationary pressures. These policies, in general, became even more restrictive in 1981 and the first half of 1982 as the rate of inflation remained significantly above historical levels and concern increased that relaxing these policies would lead to a further acceleration of inflation, because of deeply entrenched inflationary expectations. According to the estimate prepared by the OECD, the average budget deficit of the seven major OECD countries, adjusted for the impact of the cyclical decline in output, ⁽²⁾ decreased by an amount equivalent to 0.7 percentage points of gross national expenditure/gross domestic product (GNE/GDP) over the recent three-year period. Adjusted as well for the effect of increased interest payments on public debt, the budget deficit decreased 1.5 percentage points of GNE/GDP. Real interest rates, defined as short-term nominal interest rates minus the rate of increase in the consumer price index (CPI), averaged close to one-half per cent

in 1980 in the seven major OECD countries, but jumped to 3½ per cent in 1981 and 4 per cent in 1982.

The result was a significant decline in inflation in the OECD area but very weak real growth. Real GNE/GDP increased by about 1 per cent in the seven major OECD countries in both 1980 and 1981 and fell about one-half per cent in 1982. The cumulative increase in real GNE over the 1980 to 1982 period was about 2 per cent compared to an increase of about 12 per cent during the preceding three-year period. In addition to this weak growth, most of the OECD economies faced a roller-coaster type performance with large swings on both the up and down sides of the cycle. For example, during the six half-years between 1980 and 1982, the annualized growth rate of real GNE/GDP fluctuated between 5 per cent and minus 3½ per cent in the United States; between 7 per cent and minus 4 per cent in Italy; between plus and minus 3 per cent in Germany; and between 6 per cent and minus 7 per cent in Canada. Of the seven major OECD countries, real GNE fell in Canada, the U.S. and Germany in 1982, remained virtually unchanged in the U.K. and Italy and increased modestly, in the 1 per cent to 2 per cent range, in Japan and France. Reflecting this weakness in economic activity, the number of unemployed in the OECD area jumped 20 per cent in 1982 to over 30 million. North America had an even larger 30-per-cent increase in unemployment. The average unemployment rate in the seven major OECD countries increased 3 percentage points from 1979 to reach 8½ per cent in 1982.

Activity in the OECD countries weakened to an unexpected degree during the last half of 1982. Up to the middle of 1982, it had seemed that a modest recovery was imminent in the OECD area taken as a whole. However, further signs of weakness, particularly in Europe and Canada, emerged in the second quarter of 1982 and intensified thereafter. Industrial production fell and business surveys became increasingly pessi-

⁽¹⁾ These countries are: the United States, Japan, Germany, France, the United Kingdom, Italy and Canada.

⁽²⁾ The cyclically-adjusted budget balance is the balance that would prevail with existing tax and expenditure structures if the economy were operating at an average level of activity.

mistic. Real output growth for the seven major OECD countries, which had been projected to increase by 2¼ per cent ⁽³⁾ in the last half of 1982, actually declined.

The results on the inflation front were, however, better in 1982 than generally anticipated, particularly in the U.S. and the U.K. The 12-month increase in consumer prices in the seven major OECD countries in December 1982 was 5.5 per cent, 7.4 percentage points less than the average peak inflation rate of 12.9 per cent during the 1980 and 1981 period. This dramatic improvement in inflation performance was a result of many factors, including: a reduction in inflation expectations because of the persistence of restrictive policies; declines in energy prices; the tumbling of other commodity prices which decreased 17 per cent in 1982 compared with a decrease of 12 per cent in 1981, according to the *Economist* index; the increasing slack in labour markets which resulted in more moderate nominal wage increases; and weak product markets which cut profit margins.

In the United States, monetary policy until late June was focussed on keeping the growth of monetary aggregates within respective target ranges following a shift in operating procedures in October 1979. Between November 1981 and March 1982, short-term interest rates rose 400 basis points, peaking at 15 per cent. Subsequent weakness of economic activity led to some decline in rates in the next few months but in late June they were back up near their February peaks. A number of developments have worked together since then to bring interest rates down substantially. These include: continued weakness in economic activity and substantial declines in the U.S. rate of inflation; reduced emphasis, at least temporarily, by the Federal Reserve Board on monetary targetting because a number of developments have made money supply numbers increasingly unreliable; and the realization in financial markets that a significant portion of the large federal deficit was caused by below-average levels of economic activity. Between the last week of June and the last week of August, the three-month commercial paper rate fell 650 basis points to 8¼ per cent. Although the trend of interest rates since August has remained downward, subsequent declines have been more mod-

est. Long-term rates followed a similar pattern although most of the decline occurred over the July-October period; the rate for AAA bonds fell almost 300 basis points in those four months.

Financial developments in the U.S. significantly influenced interest rates and exchange rates in the industrialized world. The volatility of U.S. interest rates put pressure on exchange values of currencies of other countries. These countries reacted in general by allowing some movement in both their exchange rates and interest rates, with the extent of change in the two variables importantly influenced by domestic developments. The run-up in U.S. interest rates from November 1981 to June 1982 led to a significant appreciation of the U.S. dollar and a corresponding decline in the currencies of most other industrialized countries and increases in their interest rates. The rapid decline in U.S. interest rates since the middle of last year has led to substantial reductions in interest rates in other countries and some further realignment of exchange rates.

Domestic Developments and Policy Environment

Unlike most countries, average growth in Canada was quite strong during 1981 because of the strength of the economy in the first half of the year. However, the Canadian economy entered a deep recession in the third quarter of 1981 and, at the end of 1982, had experienced six consecutive quarterly declines in real GNE. Real GNE fell 4.8 per cent in 1982 (Table 1.1), the steepest annual decline since the Second World War. All major components of aggregate demand, except government expenditure and foreign trade, contributed to the decline in real GNE. The weakest sectors of the economy were business fixed and inventory investment and residential construction. After growing strongly in the last three years, the volume of business fixed investment fell 11.5 per cent and residential investment declined 23.5 per cent. The stock of inventories declined \$3.2 billion (1971 dollars) in 1982 after increasing \$687 million in 1981. Exports fell only slightly in spite of significant declines in output in many of Canada's major trading partners, but imports fell 10.4 per cent reflecting the decline in final domestic demand and inventories.

⁽³⁾ OECD, *Economic Outlook*, July 1982

Table 1.1
Summary of Real Gross National Expenditures in Canada

	Average 1971-1979	1980	1981	1982
	(percentage change)			
Consumer expenditure	4.3	1.1	1.9	- 2.5
Government expenditure ⁽¹⁾	2.1	- 0.7	1.1	0.9
Residential construction	2.2	- 6.1	5.6	- 23.5
Business fixed investment	5.3	7.4	6.4	- 11.5
Non-residential construction	4.4	11.0	8.4	- 6.0
Machinery and equipment	6.2	4.5	4.6	- 16.4
Inventory change ⁽²⁾	855	- 775	687	- 3170
Exports	4.1	1.8	1.6	- 1.5
Imports	5.9	- 2.0	2.6	- 10.4
Gross national expenditure	3.6	0.5	3.1	- 4.8

Note: Numbers may not add exactly due to rounding.

⁽¹⁾ Includes current expenditure on goods and services and capital formation.

⁽²⁾ Millions of 1971 dollars.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

The decline in economic activity resulted in substantial losses in employment and an increase in the unemployment rate to 11.0 per cent in 1982 from 7.6 per cent in 1981. The CPI rate of inflation fell from 12.5 per cent in 1981 to 10.8 per cent in 1982.

The federal budget deficit, on a national accounts basis, increased from 2.4 per cent of GNE in 1981 to 6.0 per cent of GNE in 1982. This was mainly due to the deep recession, which resulted in revenue growth of only 1.8 per cent and expenditure growth of about 20 per cent. Details of federal revenue and expenditure changes are provided in Tables 7.2 and 7.3. In brief, federal expenditures in 1982 increased \$14.2 billion. Of this amount, more than \$10 billion was accounted for by three main areas: transfers to persons (which rose \$5.8 billion), particularly unemployment insurance payments which rose more than 70 per cent, interest on the public debt (up \$3.1 billion), and transfers to provinces (up \$1.7 billion).⁽⁴⁾

Monetary policy was geared towards the twin objectives of restraining inflation and assisting a recovery in economic activity. There was a run-up in interest rates during the first half of the year because of the pressure on the Canadian dollar as a result of large increases in U.S. interest rates. Interest rates fell significantly in the second half of the year, in line with similar developments in the U.S., a sharp decline in the Canadian rate of inflation and continuing weakness in economic activity.

A comparison of the 1974 and 1981-1982 recessions, provided in Table 1.2, reveals the following facts. First, the 1981-1982 recession lasted six quarters compared to a decline in output spanning only two quarters during 1974. Second, the decline in real GNE was much sharper in the 1981-1982 recession than in 1974. Third, only government spending made a positive contribution to real GNE in the 1981-1982 recession. In 1974, government spending and non-residential investment made positive contributions to

⁽⁴⁾ In addition, delay in passing legislation necessary to authorize Petroleum Incentive Payments led to some expenditures for 1981 activity being recorded in 1982. This was in large part responsible for an increase of \$1.5 billion in capital assistance payments from 1981 to 1982.

Table 1.2

A Comparison of Relative Size of Contributing Factors in the Recessions of 1981-1982 and 1974

	2nd quarter 1981 to 4th quarter 1982		1st quarter 1974 to 3rd quarter 1974	
	Percentage change	Change relative to overall change in real GNE ⁽³⁾	Percentage change	Change relative to overall change in real GNE ⁽³⁾
Consumer expenditure	-3.6	0.5	1.8	-3.0
Government expenditure ⁽¹⁾	2.0	-0.3	1.0	-1.7
Residential construction	-28.7	3.8	-13.9	23.2
Business investment	-17.7	2.4	-1.5	2.5
Non-residential construction	-9.5	1.3	-1.3	2.2
Machinery and equipment	-24.7	3.3	-1.7	2.8
Inventory change ⁽²⁾	-4,852	0.5	-536	0.8
Exports	-9.7	1.3	-0.7	1.2
Imports	-17.6	2.3	4.0	-6.7
Gross national expenditure	-7.5	1.0	-0.6	1.0

Note: Numbers may not add exactly due to rounding.

⁽¹⁾ Includes current expenditure on goods and services and capital formation.

⁽²⁾ Millions of 1971 dollars and proportion of absolute change in real GNE.

⁽³⁾ Proportions are calculated by dividing sectoral percentage changes by per cent change in real GNE. The only exception is inventory change. Its contribution is calculated by dividing constant dollar inventory change with constant dollar change in real GNE.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

growth. Fourth, although residential investment fell 28.7 per cent and inventory change declined \$4.9 billion during the 1981-1982 recession, their contributions to the decline in real GNE were even greater during the 1974 recession. Fifth, while imports declined significantly more than GNE during the 1981-1982 recession, they actually increased during the previous recession.

Table 1.3 compares the 1981-1982 Canadian recession with those in Canada's major trading partners. It can be noted that the last Canadian recession was more severe than the downturns in other major OECD countries. However, if the comparison takes 1978 as a starting point, Canada is within the range of growth rates experienced by the other six major countries. As noted, Canada experienced a more rapid increase in activity just prior to the 1981-1982 recession than did most of the other countries. During the 1974 and 1980-1981 recessions the

decline in Canadian output, in general, was significantly less than in other countries.

Major Factors Affecting the Depth of Canada's 1981-1982 Recession

A number of factors depressed the level of activity in Canada in the second half of 1981 and in 1982. These included a world recession, the stubbornness of inflation combined with the anti-inflationary framework of government policies, the phasing-in of world energy price increases which other countries generally had absorbed earlier, and a rise in the personal savings rate.

The world recession resulted in a decline in Canadian exports. The volume of Canadian exports fell 1.5 per cent in 1982 after increasing more than 1½ per cent in 1981. The persistent economic slowdown in major OECD countries particularly depressed the demand for and price

Table 1.3

An International Comparison of Changes in Real GNE / GDP Over the Period 1973-1982

	During the 1973-1975 recession	During the 1979-1980 recession	During the 1981-1982 recession ⁽¹⁾	Cumulative change: 1978 to the second half of 1982 ⁽²⁾	Cumulative change: 1973 to the second half of 1982 ⁽²⁾
(per cent)					
Canada.....	- 0.6	- 1.5	- 5.5	0.3	17.4
United States.....	- 4.9	- 2.5	- 2.6	2.7	17.8
Germany.....	- 3.1	- 2.1	- 0.7	3.2	14.5
Japan ⁽³⁾	- 3.1	—	- 0.7	16.5	37.4
United Kingdom	- 3.5	- 4.3	- 2.5	- 1.9	4.9
France.....	- 2.0	- 1.5	- 0.1	6.4	23.8
Italy	- 5.9	- 3.6	- 2.7	9.3	21.5
Average	- 3.3	- 2.2	- 2.1	5.2	19.6

(1) The last data point included is the second quarter of 1982 because quarterly data for all countries beyond this point were not available.

(2) The data for the second half of 1982 for countries other than Canada and the U.S. are OECD forecasts.

(3) There was no decline in real GNE in Japan during 1979-1980.

Source: OECD, *National Accounts of OECD Countries*, 1980, volume II; *Quarterly National Accounts Bulletin*, 1982, III; and *Economic Outlook*, December 1982; Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

of raw materials and fabricated products, which account for about 70 per cent of Canada's exports, leading to shut-downs in a number of export-based operations, especially in the mining sector.

The rate of inflation in Canada was the second highest among the major OECD countries in 1981 and 1982, exceeded by Italy. Although the need to absorb energy price increases helped keep the inflation rate high, the persistence of inflationary expectations, downward rigidity of nominal wages and certain prices, and declining productivity also contributed importantly to increase the rate of inflation in 1981 and, in spite of some moderation, to keep it in the double digit range in 1982. This, as well as record high U.S. interest rates, pushed Canadian interest rates to record levels in 1981 and 1982. This was an important factor in depressing real activity in 1981 and 1982.

An increase in the personal savings rate contributed to weak consumer demand which in turn led to decreases in business investment for new

plant and equipment. The savings rate increased 3.1 percentage points between the second quarter of 1981 and the third quarter of 1982 — a major factor in the 2.5-per-cent decline in real consumer spending in 1982. In comparison, the personal savings rate in the U.S. increased less than 1 percentage point and real consumption rose 1.0 per cent in 1982.

Because of all these factors, the decline in Canadian output in the 1981-1982 recession was larger than in other major OECD countries. A comparison of international economic performance over longer time periods, which allows for the differential impact of the timing of energy price increases in different countries, is presented in Table 1.3.

From 1978 to the second half of 1982, the period covering the second oil price shock, real GNE increased slightly in Canada. In comparison, the U.K. GNE declined but all other countries posted increases. Thus, in terms of comparative changes in real GNE, Canada fared relatively badly during the second oil price shock. A comparison over

the extended period from 1973 to 1982 is, however, more meaningful in terms of countries adjusting to the two oil price shocks of the 1970s. Over this extended period, real growth was, on average, similar to that of the U.S. and better than both Germany and the U.K. In two of the three periods of recession since 1973, output in Canada fell less than in other countries, and over the longer period from 1973 to 1982, the cumulative increase in Canadian output of 17.4 per cent was only marginally less than the average increase of 19.6 per cent in the seven major OECD countries.

Developments at Year-end

The year 1982 closed on the promising note that Canada was finally getting out of the deep recession and was set on a path of sustained recovery. A number of indicators pointed in that direction. Although real GNE fell again in the fourth quarter, the decline was caused mainly by an increased rate of inventory run-off. The inventory-to-sale ratio fell to an historically low level, indicating that inventory correction had mainly occurred. This, combined with the fact that final domestic demand actually increased in the fourth quarter after five consecutive quarterly declines, suggested that the economy was finally poised for a recovery. Housing starts increased sharply in the last quarter of the year and were up slightly more than 80 per cent to 157,000 units (seasonally adjusted annual rate) in December from the 87,000 range in August and September. Sales of passenger cars increased 37 per cent from July

to 66,800 units in December. The Conference Board of Canada's index of consumer confidence jumped 36 per cent from 54.8 in the second quarter to 74.7 in the fourth quarter. Senior business executives also became more optimistic about the near-term prospects for the Canadian economy, as shown in the Conference Board Survey of Business Attitudes.

According to the same survey, business confidence in Canada's investment climate improved. The Business Conditions Survey found Canadian manufacturing industries were more optimistic about the economy than in the recent past. The proportion reporting increased new orders was also up. Corporate profits increased substantially in the fourth quarter of 1982 after five consecutive quarterly declines and a modest increase in the third quarter. Employment increased in December after 15 consecutive monthly declines. Canada's trade surplus jumped to \$21.6 billion at annualized rates in December 1982, a 157-per-cent increase from the previous record surplus of \$8.4 billion in 1980. The year-over-year rate of increase of the CPI declined to 9.3 per cent in December. Prices in December showed no increase from November, the first time since September 1978. Non-COLA wage settlements fell to 7.3 per cent in the fourth quarter of 1982, down almost 50 per cent from the peak 14.0-per-cent increase in the fourth quarter of 1981. Interest rates declined substantially from the peak reached in 1981. The Bank Rate, for example, was 10¼ per cent at year-end compared to 21 per cent in August 1981.

2. Price and Wage Developments

The rate of inflation fell significantly in 1982 after gathering momentum in every year since 1976. The decrease was particularly large during the second half of 1982 when monthly price increases averaged 0.5 per cent, compared to average increases of 1.0 per cent during the first half of 1982 and through 1981. The year-over-year rate of increase in the CPI in December 1982 was 9.3 per cent compared to the peak of 13.0 per cent in July 1981. Wage settlements also fell significantly during the year, and particularly during the second half, to 7.3 per cent in the fourth quarter, from a peak of 14.0 per cent in the fourth quarter of 1981.

A number of factors contributed to reduce the rate of inflation during the year. These include a significant slowing in the rise of food and energy prices, weak product markets which slashed profit margins to record low levels, weak labour markets which slowed increases in labour costs, declines in industrial and raw material prices, and the impact of the federal government's 6 and 5 wage and price restraint program.

The 6 and 5 program, introduced in June 1982, restricted wage increases to 6 per cent in the first year of the program and 5 per cent in the second year for all federal public service employees, employees of Crown corporations, ministers of the Crown and members of the House of Commons and the Senate. Federal agencies which regulate prices of certain goods and services were asked to adhere to the guidelines. In addition, the Minister of Finance urged all Canadians to lower their demands for income increases to these ranges. Most provincial governments introduced similar restraint programs.

Price Developments

The CPI rate of inflation in Canada climbed steadily from 7.5 per cent in 1976 to 12.5 per cent in 1981. During this five-year run-up of inflation, food price increases accelerated from 2.7 per cent in 1976 to a peak of 15.5 per cent in 1978 and remained in the double-digit range until 1981. Although domestic energy prices have been increasing rapidly since 1974 in response to the world oil price shocks, the rate of increase

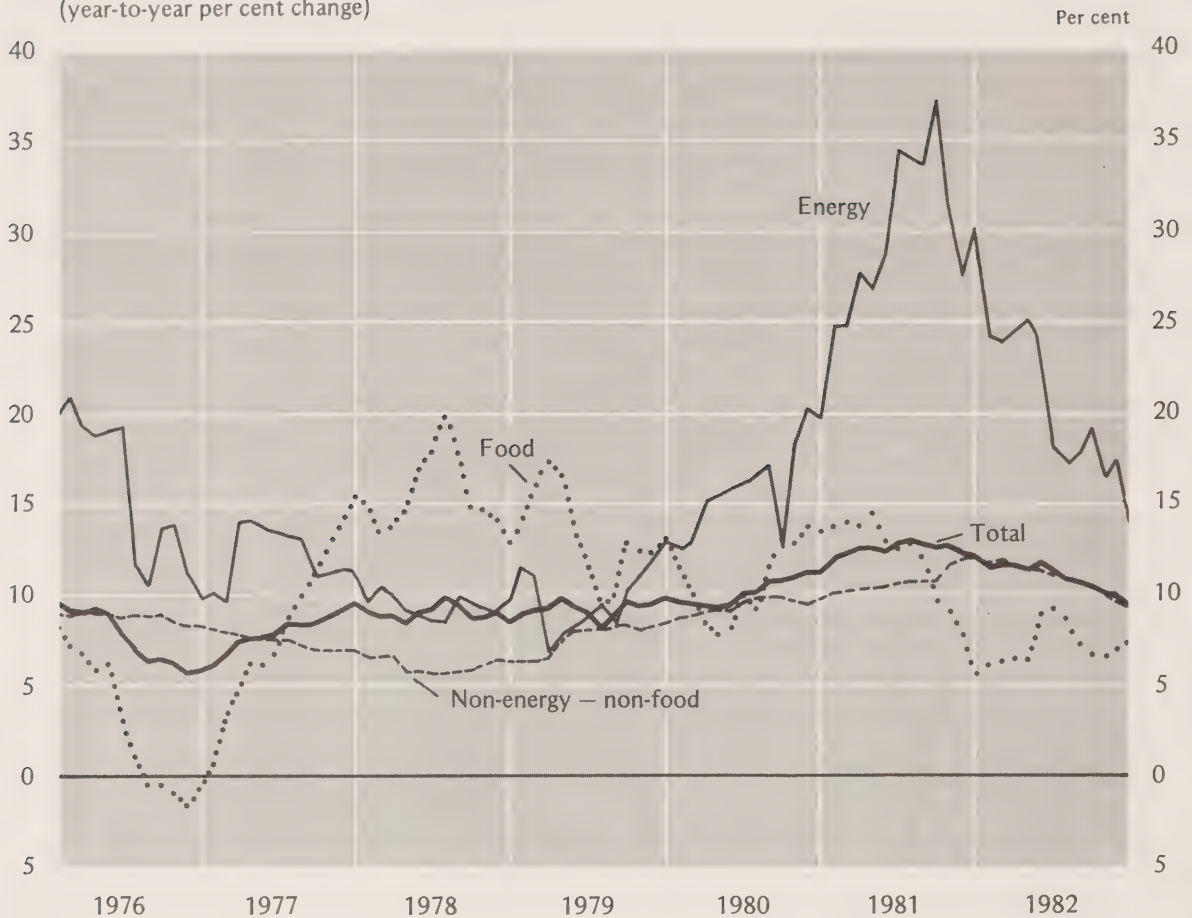
accelerated in 1980 and particularly in 1981. The increase in measured rates of inflation reinforced inflationary expectations and these were reflected in rising nominal wage gains. Non-COLA wage settlements — those without a cost-of-living adjustment clause — rose steadily from 7.2 per cent in 1978 to 13.3 per cent in 1981. Increases in input costs over this period were reflected in the upward drift of the rate of increase of the CPI excluding food and energy, sometimes used as a measure of the underlying rate of inflation, from 6.1 per cent in 1978 to 10.9 per cent in 1981.

In 1982, the rate of inflation fell 1.7 percentage points to 10.8 per cent, ending five years of steady increases in the rate. On an annual basis, the decrease in inflation has mainly occurred as a result of slower increases in food and energy prices. The CPI for food increased 7.2 per cent in 1982 — in single digits for the first time in five years. The rate of increase in energy prices, though still high at 19.8 per cent in 1982, was significantly less than the 30.1-per-cent increase in 1981. Energy price increases in 1981 and 1982 reflected the impact of the energy price agreement between the governments of Canada and Alberta signed in September 1981. The rate of increase in energy prices was particularly rapid in 1981 because of the federal government's imposition of a special compensation charge, in response to Alberta's cutbacks in oil production, to help finance the resulting increase in subsidies on imported crude. Because of the government's policy of smoothing the impact of the adjustment to higher oil prices arising from the world oil price shocks in 1974 and 1980, energy prices in Canada increased somewhat later than in other countries. In 1982, however, Canadian energy price levels were still below world oil price levels. The Canadian "blended" price in 1982 averaged 73 per cent of the international oil price when adjusted for quality differences; unadjusted for quality differences, the proportion was 79 per cent (Table 2.1).

Excluding food and energy, the CPI increased 10.8 per cent in 1982, only marginally less than the 10.9-per-cent increase in 1981. However, these annual increases hide the fact that the rate of inflation of this sub-aggregate of the CPI was

Chart 2.1

Consumer Price Index
(year-to-year per cent change)



Source: Statistics Canada, *The Consumer Price Index*, monthly, cat. 62-001.

increasing during 1981 and decreasing during 1982. The year-over-year increase in the CPI excluding food and energy was 12.0 per cent in December 1981, compared with 10.1 per cent in January 1981. It declined steadily over 1982 to 9.2 per cent in December. These data suggest that there is a clear downward trend in the underlying rate of inflation in Canada, though this decline started somewhat later than the decline in the all-items CPI rate of inflation.

The CPI for goods increased 9.4 per cent in 1982, down 3.7 percentage points from its rate of increase in 1981, while the CPI for services increased 12.9 per cent in 1982, 1.4 percentage points faster than in 1981. Within the goods component of the CPI, the restraining influence of

reduced demand was felt mainly in prices of durable and semi-durable goods and food. Weak demand for durables forced retailers to lower profit margins to move inventories. Following a four-year period in which service price increases lagged behind increases in goods prices, price increases for services in 1982 outpaced the rate of increase in goods prices. The impact of higher mortgage rates and large increases in energy prices as well as sharply higher increases in the cost of communication and public transportation explain a large part of the increase of service price inflation in 1982. An examination of the monthly CPI data suggests that service price inflation has also begun to decrease. Service prices increased 13.8 per cent in March 1982, on a year-over-year basis, and only 11.0 per cent in

Table 2.1
Recent Price Inflation in Canada

		1981		1982	
	1980	annual	year-end ⁽¹⁾	annual	year-end ⁽¹⁾
		(percentage change)			
Consumer price index					
Food	10.7	11.4	5.6	7.2	7.5
Energy.....	16.0	30.1	30.4	19.8	13.8
Total excluding food and energy.....	9.4	10.9	12.0	10.8	9.2
Total CPI.....	10.2	12.5	12.1	10.8	9.3
Goods	11.5	13.1	11.0	9.4	8.1
Services	8.2	11.5	13.6	12.9	11.0
GNE implicit prices					
Consumer	10.7	11.3	10.9	10.5	10.3
Government	10.9	12.6	12.1	9.2	6.8
Housing.....	5.4	9.3	7.0	3.0	0.2
Business investment	11.0	11.1	11.4	8.7	6.1
Domestic demand	10.7	11.3	11.7	10.6	10.5
Imports	15.0	11.1	8.4	4.0	3.8
Domestic demand less imports	8.9	11.5	13.6	13.9	1.7
Exports	15.7	7.6	6.7	2.5	2.4
Total GNE.....	11.1	10.1	11.1	10.6	10.4
Industry selling prices	13.5	10.2	8.4	6.0	4.4
Domestic raw material prices.....	14.5	19.1	13.5	8.3	8.3
Excluding fuels.....	11.8	0.8	- 7.8	- 3.9	- 0.9
World commodity prices, excluding energy (\$U.S.)	17.8	- 11.5	- 19.6	- 16.6	- 12.0
		(dollars/bbl)			
Crude petroleum prices					
Imported-CIF Montreal	36.96	42.99	41.95	41.35	42.00
Wellhead-Alberta.....	15.58	18.88	21.25	24.63	25.75
Blended price.....	18.08	26.94	29.86	32.76	34.65

⁽¹⁾ Year-over-year percentage changes for the fourth quarter for GNE implicit prices and for the month of December for all other price series.

Source: Statistics Canada, *Consumer Prices and Price Indexes*, quarterly, cat. 62-010; *National Income and Expenditure Accounts*, quarterly, cat. 13-001; *Industry Price Indexes*, monthly, cat. 62-011; and *The Economist*, weekly.

December 1982. The comparable increases in goods prices were 10.1 per cent and 8.1 per cent respectively.

On a national accounts basis, the average price paid by Canadians in 1982 for goods and ser-

vices, whether domestically or externally produced – the implicit price index for domestic demand – increased 10.6 per cent in 1982, down 0.7 percentage points from the 11.3-per-cent increase recorded in 1981, as shown in Table 2.1. This increase was a weighted average of the

13.9-per-cent increase in domestic prices excluding imports and a small 4.0-per-cent increase in the price of imports. The large increase in the implicit price deflator for domestic demand less imports reflected a relatively strong domestic component of inflation, including particularly an acceleration in the rate of increase of inventory prices, while the relatively small increase in import prices indicated to a large extent lower inflation rates among Canada's major trading partners. Export prices rose only 2.5 per cent in 1982, reflecting a general weakness in demand in international markets. When these are included, the implicit price index for gross national expenditure (GNE-IPI) is obtained. Despite the slowing in export prices, the increase in the GNE-IPI, the most comprehensive indicator of inflation, increased from 10.1 per cent in 1981 to 10.6 per cent in 1982. Although this indicates an acceleration in inflation in 1982 over 1981 on an annual basis, the trend in inflation during the course of the year was again downward. The year-over-year increase in the GNE-IPI in the fourth quarter of 1982 was 10.4 per cent compared to 11.2 per cent in the first quarter of 1982.

Compared to retail prices, prices at the manufacturing level responded more quickly and strongly to the weakness in demand beginning in the second half of 1981. On an annual basis, the industry selling price index (ISPI), a base-year-weighted index that shows movements in both the cost of products sold by one manufacturer to another and the prices paid by distributors, including exporters, for finished manufacturing commodities, increased 6.0 per cent in 1982, down 4.2 percentage points from the increase reported in 1981 (Table 2.1). On a year-over-year basis, the ISPI rate of inflation peaked at 11.7 per cent in June 1981 and decreased to 7.1 per cent in January 1982 and 4.4 per cent in December 1982. The relatively larger burden of manufacturers' inventories, and low levels of corporate liquidity, appear to have brought about faster price adjustments in this sector. The decline in inflation at the manufacturing level was broadly based among industry groups and was passed on in lower costs to retailers, helping to put downward pressure on retail prices, though with a lag.

World commodity prices excluding energy in U.S. dollars, international oil prices, and domestic raw material prices excluding fuels declined in 1982.

Bumper harvests of grain and soybeans, sugar surpluses and a build-up in producer stocks of metals as a result of the worldwide recession were reflected in a 16.6-per-cent decline in world commodity prices excluding energy, marking the second year of commodity price declines. The world price of oil also fell in 1982. Domestic raw material prices excluding fuels declined 3.9 per cent in 1982, after increasing only 0.8 per cent in 1981, as sharp price declines for wood and metals, reflecting the weak world demand, offset relatively large increases in prices of non-metallic minerals. Even including domestic fuel prices, the rate of increase of domestic raw material prices fell substantially, from 19.1 per cent in 1981 to 8.3 per cent in 1982.

Labour Costs

The rate of growth of nominal wages continued to advance steadily from 1979 until the first quarter of 1982 (Table 2.2). However, the depth of the Canadian recession, declining inflation and the federal government's 6 and 5 program, combined with similar initiatives by most provinces, acted to break the momentum of rising wage settlements and earnings and contributed importantly to the decrease in the rate of nominal wage growth in 1982, particularly in the second half of the year.

An analysis of recent wage developments requires a review both of new settlements, which are an indicator of future labour input costs, and of earnings, which are an indicator of current wage costs. The average annual increase granted in new non-COLA settlements declined to 10.0 per cent in 1982 from 13.3 per cent in 1981. By the fourth quarter of 1982, average annual increases in non-COLA wage settlements had declined substantially to 7.3 per cent compared to the peak increase of 14.0 per cent in the fourth quarter of 1981. Increases in public sector settlements fell 3.3 percentage points to 9.9 per cent in 1982, while average private sector increases fell 2.9 percentage points to 10.6 per cent. The relatively larger decline of public sector wage settlements in 1982 occurred in the second half of the year reflecting the impact of the federal government's 6 and 5 program and provincial wage restraint policies. Non-COLA negotiated wage settlements in the federal sector fell 4.4 percentage points to 8.0 per cent in 1982, the lowest increase among all public sector groups and

Table 2.2
Recent Wage Settlements in Canada⁽¹⁾

			1982				
	1980	1981	Annual	1Q	2Q	3Q	4Q
	(percentage change)						
Non-COLA negotiated settlements							
Commercial	11.5	13.8	9.6	12.9	11.8	10.1	7.7
Non-commercial	10.9	13.1	10.1	12.8	12.8	10.1	7.1
Total	11.1	13.3	10.0	12.8	12.5	10.1	7.3
Private sector	11.7	13.5	10.6	12.5	11.9	10.1	9.8
Public sector	10.9	13.2	9.9	12.8	12.7	10.1	6.9
Federal sector	10.8	12.4	8.0	11.8	12.1	8.3	6.0
Provincial administration	11.2	13.6	11.2	12.9	13.3	13.2	8.8
Local administration	10.6	13.4	12.9	13.4	11.8	18.7 ⁽²⁾	—
Education, health and welfare	11.0	13.7	11.3	14.1	12.7	12.5	7.3
Telephone, electric and water utilities	10.7	13.6	11.5	14.2	13.0	10.8	6.6
Average weekly wages and salaries	10.1	11.9		11.6	10.3	6.3	

Note: — indicates no bargaining.

⁽¹⁾ Labour Canada reports wage settlements based on two methods of classifying contract settlements according to industry. The commercial/non-commercial breakdown employs the "standard industrial classification" (SIC) system used by Statistics Canada which organizes establishments according to their principal economic activity. For example, a government-owned transit system or Post Office is classed among other transportation and communication establishments under the commercial sector, and not under the non-commercial sector as part of the government. The private/public breakdown classifies contracts according to the industry of the employer so contracts ratified between the Government of Canada and the Post Office workers will be classed under the federal government in the public sector. Another example is Air Canada which is included under the commercial and public sector categories.

⁽²⁾ Represents only one contract covering fewer than 1000 workers.

Source: Labour Canada, *Labour Data*, quarterly; Statistics Canada, *Employment, Earnings and Hours*, monthly, cat. 72-002.

lower than the private sector average, while settlements in provincial administration fell 2.4 percentage points to 11.2 per cent in 1982. On the earnings side, average weekly wages and salaries for the industrial sector increased 9.0 per cent in 1982, down from the 11.9-per-cent increase in 1981.

Unit labour costs, which reflect the interplay of productivity performance and wage costs, increased 12.3 per cent in 1982, up from the 10.5-per-cent increase in 1981 (Table 2.3). A sharp drop in labour productivity in 1982 offset the deceleration in wage increases to produce this outcome. An examination of the quarterly pattern, however, reveals a significant decline in the rate of increase of unit labour costs in the

second half of the year; in the fourth quarter of 1982, unit labour costs increased 9.8 per cent at an annual rate compared to an average increase of 14.4 per cent in the first half of the year.

Canada-United States Comparisons of Price and Wage Developments

Increases in consumer prices and nominal wages slowed more quickly in the U.S. than in Canada in 1982, thus widening the gap in inflation performance that had developed in 1981. Differences in the timing of the movement towards world energy prices, and the apparent greater responsiveness of U.S. prices and wages to weak product and labour demand, account for a significant part of the gap.

Table 2.3

Canada-U.S. Comparison of Price and Wage Developments

	1976	1977	1978	1979	1980	1981	1982
	(percentage change)						
Canada							
CPI	7.5	8.0	8.9	9.1	10.2	12.5	10.8
Goods	4.9	7.4	10.2	10.6	11.5	13.1	9.4
Services	12.2	9.0	6.8	7.0	8.2	11.5	12.9
Commercial non-COLA negotiated settlements	10.6	7.9	7.6	9.5	11.5	13.8	9.6
Unit labour costs	9.6	8.0	5.3	8.6	12.3	10.5	12.3
United States							
CPI	5.7	6.5	7.7	11.3	13.5	10.3	6.2
Goods	4.3	5.8	7.1	11.4	12.2	8.4	4.0
Services	8.2	7.7	8.6	11.0	15.4	13.1	9.0
Commercial non-COLA negotiated settlements	8.0	7.9	7.6	8.1	10.3	8.8	6.6
Unit labour costs	5.6	5.4	7.5	9.0	10.0	8.5	6.9

Source: Statistics Canada, *Consumer Prices and Price Indexes*, quarterly, cat. 62-010; and *National Income and Expenditure Accounts*, quarterly, cat. 13-001; Labour Canada, *Labour Data*, quarterly; U.S. Bureau of Labour Statistics, *CPI Retail Report*, monthly; and U.S. Department of Commerce, *Survey of Current Business*, monthly.

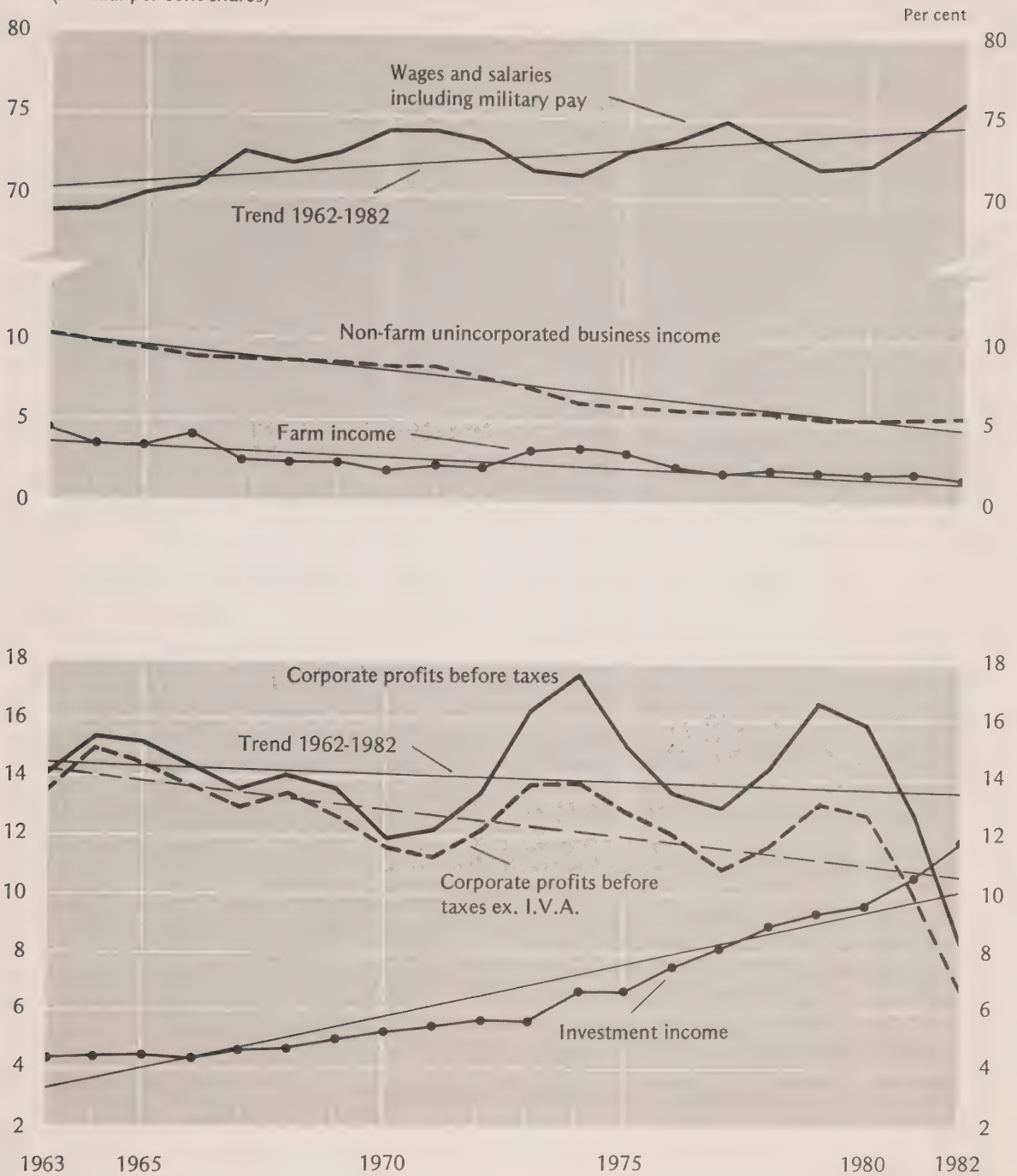
The U.S. CPI rate of inflation declined significantly for the second consecutive year to 6.2 per cent in 1982 from 10.3 per cent in 1981 and its peak of 13.5 per cent in 1980 (Table 2.3). As a result, the gap between the Canadian and U.S. CPI rates of inflation increased to 4.6 percentage points in 1982 from 2.2 percentage points in 1981. Table 2.3 indicates that from 1976 to 1982 the CPI rate of inflation followed a relatively smooth profile in Canada compared to the U.S. — accelerating steadily from 7.5 per cent in 1976 to its peak of 12.5 per cent in 1981 and then trending downwards relatively slowly to 10.8 per cent in 1982. In comparison, the U.S. rate accelerated more quickly from its trough of 5.7 per cent in 1976 to a peak of 13.5 per cent in 1980 and then fell quickly to 6.2 per cent in 1982. The U.S. move to world oil prices in 1979 and 1980 and the delayed increases in Canadian oil prices in 1981 and 1982 explain a large part of the inflation differential in the two countries in the past four years. In general, both the goods and services price components of the U.S. CPI have

responded more quickly to economic developments than their Canadian counterparts. The greater volatility of service price increases in the U.S. is a result in part of the greater sensitivity of its home-ownership component to changes in housing market conditions, particularly mortgage rates and house prices; this greater sensitivity derives at least in part from the particular method used to construct the U.S. CPI.

On the wage side, the average annual increase in non-COLA negotiated wage settlements in the commercial sector declined 4.2 percentage points to 9.6 per cent in Canada in 1982 compared to the U.S. decline of 2.2 percentage points to 6.6 per cent. In 1982 wage settlements in Canada were higher than in the U.S. for the third consecutive year. However, as a result of the relatively larger decline in Canada, the gap between Canadian and U.S. wage settlements narrowed to 3.0 percentage points in 1982 from 5.0 percentage points in 1981. The decline in Canadian wage settlements was particularly large

Chart 2.2

Shares of Net National Income at Factor Cost
(Annual per cent shares)



Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

in the second half of the year; as a result, the gap between Canadian and U.S. wage settlements was only 2.2 percentage points in the fourth quarter of 1982. In recent years, the profiles of wage settlements in both Canada and the U.S. have lagged behind rates of inflation as measured by the CPI.

The downtrend in the growth of unit labour costs in the U.S. from 10.0 per cent in 1980 to 6.9 per cent in 1982 reflects a similar downward movement in nominal wage increases. In Canada, the growth in unit labour costs actually increased in 1982 because of a significant decline in labour productivity which more than offset the slowing in nominal wage growth. However, because of a substantial decline in Canadian unit labour costs in the latter part of the year, the differential between Canada and the U.S. was only 3½ percentage points in the second half of 1982 compared to 5½ percentage points for the whole year.

Shares of Net National Income

Income share movements in 1982 were dominated by cyclical developments. The share of wages and salaries and supplementary labour income in net national income (NNI) rose sharply to a peak of 75.8 per cent in 1982 from 73.9 per cent in 1981 (Chart 2.2). The corporate profit share fell to 8.2 per cent in 1982 from 12.8 per cent in 1981. The corporate profit share at the end of 1982 was less than half of what it was at its most recent peak in 1979. An increase in the personal savings rate and the rise in interest rates in the first half of 1982 resulted in a continued increase in the share of interest and miscellaneous investment income. Non-farm unincorporated business income as a share of NNI increased slightly in 1982.

3. Personal, Housing and Business Sectors

Real consumer spending fell in 1982, though the rate of decline was less than that of real GNE. The savings rate jumped to a post-war high of 13.7 per cent in 1982, more than a percentage point higher than in 1981. The growth of nominal personal disposable income outpaced the increase in nominal GNE because of large increases in interest-sensitive investment income and unemployment-sensitive government transfer payments, and the fact that labour income did not slow as sharply as did GNP. The weakness in consumer spending was concentrated in interest-sensitive spending on durable and semi-durable goods. The level of spending on non-durable goods and services showed little change from 1981.

New housing construction declined substantially in 1982 because of high mortgage rates, a decline in real personal disposable income and rising unemployment. Starts of single dwelling units remained particularly weak until the fourth quarter when they picked up in response to declining mortgage rates, federal and provincial housing incentives and declines in inventories of new houses. Multiple unit starts were, however, strong in the first half of the year in response to the multiple unit residential building (MURB) program. This led to a large increase in inventories of multiple units which depressed starts in the second half of the year.

Real investment fell in 1982 in response to low capacity utilization, high interest rates and declines in corporate profitability. This decline was concentrated in the non-energy sector. Inventory run-off was rapid and accounted for about half of the decline in real GNE in 1982.

Sources of Income

Personal income and personal disposable income both increased at slower rates in 1982, as indicated in Table 3.1, due largely to a slackening in the growth of labour income, the largest source of personal income. Disposable income grew less than personal income because of an increase in the average effective tax rate.

The rate of increase of labour income fell because of decreases in employment and in the

growth of average compensation per employee. Growth in investment income also slowed in 1982 because of a smaller increase in the amount of savings and declines in interest rates, particularly in the second half of the year. Farm income, which often fluctuates significantly from year to year, fell sharply in 1982 after a substantial advance in 1981. A high level of reserves around the world at the beginning of the year following the heavy crops of 1981 forced down prices of the main farm products, particularly wheat.

Real personal disposable income, as conventionally measured by dividing nominal figures by the consumer expenditure implicit price index, also fell in 1982. This decrease is largely explained by the decline in labour income, also adjusted for price changes.

Personal Expenditure

Following a modest increase in 1981, real consumer spending dropped in 1982 (Table 3.2) partly due to the reduction in real disposable income. The sharpest decline in consumer purchases was for durables, which were particularly affected by historically high interest rates. Semi-durable goods also showed a decrease, although a smaller one, whereas spending on non-durables and services, which is less subject to cyclical variations, showed very little change.

Other factors may also have influenced personal sector spending. The high mortgage interest rates induced people to divert money away from personal expenditures to reducing their mortgage debt. Although no comprehensive data on mortgages in relation to home values is available it is possible, using Canada Mortgage and Housing Corporation data, to construct a ratio of mortgage money borrowed to the value of new and existing homes on which mortgages were renewed. Estimated values of this ratio for the period 1974 to 1982 are provided in Table 3.3. It is difficult to establish a precise relationship between mortgage rates and this ratio for each period. However, it is quite clear that, on average, increases in mortgage interest rates seem to have reduced the proportion of a house's value covered by borrowed money. For example, the

Table 3.1
Sources and Disposition of Personal Income

	1978	1979	1980	1981	1982
	(percentage change)				
Sources of income					
Labour income ⁽¹⁾	9.0	11.7	12.7	13.9	7.0
Net farm income	21.4	6.5	-8.8	47.4	-10.9
Net non-farm unincorporated business income	8.1	8.4	9.2	13.9	5.6
Interest, dividends and other investment income	25.0	21.9	15.2	35.1	14.4
Transfer income	12.8	6.5	14.4	14.3	23.5
Personal income	11.1	11.8	12.7	16.9	9.7
Personal disposable income	12.2	12.2	12.4	15.7	9.3
Personal disposable income in real terms	4.6	2.7	1.5	3.9	-1.1
Disposition of personal income					
Consumer expenditure	10.3	11.4	11.9	13.4	7.8
Personal direct tax ⁽²⁾	6.7	10.2	14.1	22.2	11.5
Transfer payments ⁽³⁾	20.6	47.6	29.3	35.5	6.2
Savings	28.5	12.8	13.0	28.4	20.4
	(per cent)				
Effective average tax rate ⁽⁴⁾	18.6	18.3	18.6	19.4	19.7

(1) Includes military pay and allowances.

(2) Includes all current transfers to government.

(3) Includes interest on consumer debt and transfers to non-residents.

(4) Calculated as one minus the ratio of personal disposable income to personal income.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

average amount of money borrowed as a proportion of the value of a house fell to 0.780 during the period 1980-1982, when mortgage interest rates were relatively high, from 0.876 in 1974-1979. In addition, the decline in employment in 1982 and the volatility of interest rates over the past few years may have prompted households to be more cautious in their spending decisions.

Inflation-adjusted Savings Rate

The personal savings rate in the national accounts is overstated during periods of inflation because of biases in correctly measuring investment income of and interest payments by the personal sector. This is because measured interest receipts or payments include an inflation pre-

mium portion which in fact compensates lenders for the expected decline in the purchasing power of the principal. The inflation premium amounts to a repayment of a part of the real value of the loan; for analytical purposes, it should not be included in the income of lenders and expenditure of borrowers. As shown in the *Economic Review* for 1982, the inflation adjustment lowers the Canadian personal savings rate substantially in the post-1973 inflationary period.

Table 3.4 updates the estimates on the inflation-adjusted personal savings rate. The actual savings rate increased 1.4 percentage points to 13.7 per cent in 1982. Compared to this, the inflation-adjusted savings rate was 7.1 percentage points less at 6.6 per cent. The actual savings rate

Table 3.2

Percentage Share and Growth of Consumer Expenditure Categories⁽¹⁾

	Share of total consumer expenditure				Rate of change			
	Aver- age 1971- 1979	1980	1981	1982	Aver- age 1971- 1979	1980	1981	1982
	(per cent)				(percentage change)			
Durables	16.9	17.4	17.3	16.2	8.9	- 1.8	1.1	- 8.8
Autos and repairs	7.7	7.2	7.0	6.2	7.0	- 6.3	- 1.2	- 13.2
Household furniture and appli- ances	4.2	4.2	4.2	3.8	7.4	- 0.4	0.5	- 11.6
Recreation equipment	5.0	6.0	6.1	6.1	13.4	3.2	4.2	- 1.8
Semi-durables	13.6	13.6	13.8	13.5	5.9	- 1.2	2.9	- 4.6
Clothing and footwear	8.1	8.5	8.8	8.7	6.3	- 0.0	4.6	- 3.6
Household furniture	3.6	3.5	3.4	3.2	6.5	- 0.9	- 1.3	- 6.0
Books and newspapers	1.2	1.1	1.1	1.0	1.5	2.1	1.9	- 7.8
Jewellery	0.7	0.5	0.6	0.5	7.0	- 21.8	5.0	- 5.6
Non-durables	29.5	27.7	27.5	27.9	3.6	0.8	1.0	- 0.9
Food, beverages and tobacco ..	19.7	17.9	17.9	18.3	2.9	0.6	1.9	- 0.3
Gasoline, oil and grease	2.9	2.9	2.7	2.5	5.6	1.3	- 3.4	- 8.8
Household supplies	1.4	1.3	1.3	1.3	5.5	- 3.0	- 0.1	- 3.2
Drugs and sundries	1.5	1.6	1.7	1.7	7.6	2.9	3.9	0.5
Electricity and gas	3.1	2.9	2.7	2.9	2.4	1.8	- 2.8	2.8
Toilet articles	1.0	1.1	1.1	1.1	8.1	2.6	4.1	- 0.8
Services	40.1	41.2	41.5	42.5	4.7	3.3	2.5	- 0.1
Transportation and communications	4.8	5.5	5.6	5.7	7.5	4.0	3.7	- 0.3
Rent	14.5	15.1	15.3	16.0	4.0	4.2	3.3	2.5
Household	1.0	0.8	0.8	0.8	0.1	- 1.8	1.4	1.6
Medical	1.6	1.7	1.8	1.8	2.0	3.7	5.0	- 2.2
Personal	12.9	13.3	13.3	13.7	5.3	2.1	2.0	- 3.1
Recreational, educational, cultural and other	4.4	4.2	4.2	4.2	4.3	3.7	0.7	- 2.4
Consumer expenditure	100.0	100.0	100.0	100.0	5.2	1.1	1.9	- 2.5

⁽¹⁾ All estimates are obtained using consumer expenditures in constant 1971 dollars.

Source: Statistics Canada, *National Income and Expenditure Accounts*, annual, cat. 13-201

increased to 10.9 per cent, on average, during the 1973-1982 period, up 5.1 percentage points from the 1963-1972 period. The comparable

increase in the inflation-adjusted savings rate was significantly less at 1.7 percentage points to 5.0 per cent.

Table 3.3
Estimated Mortgage Debt in Relation to House Values

	Values of houses for which mortgage loans have been made	Amount of mortgage loans	Loans as a fraction of house value	5-year conventional mortgage interest rate
	(millions of dollars)			(per cent)
1974	6,180	5,933	0.960	11.2
1975	9,859	8,982	0.911	11.4
1976	11,549	10,185	0.882	11.8
1977	17,497	14,603	0.835	10.4
1978	16,585	13,887	0.837	10.6
1979	16,883	14,049	0.832	12.0
1980	14,693	11,988	0.816	14.3
1981	11,519	9,190	0.798	18.2
1982	14,722	10,674	0.725	17.9
Averages				
1974-1979	—	—	0.876	11.2
1980-1982	—	—	0.780	16.8

Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*, and Department of Finance estimates.

Table 3.4
Personal Savings Rate, Actual and Adjusted For Inflation

	Measured	Inflation-adjusted
1973	9.1	2.9
1974	9.9	1.1
1975	10.9	5.5
1976	10.0	6.5
1977	9.7	4.8
1978	11.1	6.7
1979	11.1	5.7
1980	11.2	4.0
1981	12.4	5.7
1982	13.7	6.6
Average		
1963-1972	5.8	3.3
1973-1982	10.9	5.0

(1) The personal savings rate is the ratio of personal savings to personal disposable income.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

Housing

Real residential investment fell 23.5 per cent in 1982, the fifth decline in the last six years (Table 3.5). The markets for both new and existing homes were considerably weaker during 1982 than in the previous year. Factors such as high mortgage rates during the first three quarters of the year, declining real disposable income and uncertainty caused by rising unemployment restrained the personal sector from purchasing homes. Instead, as indicated above, this sector used part of its savings to reduce the size of existing mortgages.

New housing starts totalled 125,860 units in 1982, down 29.3 per cent from the total in 1981. Starts of single detached units were particularly affected, falling 38.9 per cent to 39,100 units. In addition to the low demand for these units from homebuyers, builders were faced with fairly high and increasing levels of inventories of unsold homes in the early part of the year. Assistance was offered to the industry in the June federal budget in the form of grants for first-time and new-home buyers, increased funds for the home renovation plan and for non-profit and co-operative housing, more assistance for the Canada rental support plan and the extension of the

Canada mortgage renewal plan. These measures did not initially spur construction as developers attempted instead to reduce their inventories. In the fourth quarter, however, these measures, plus an additional allocation of federal funds to two housing programs, several provincial incentive programs and sharply lower mortgage rates combined to boost new construction starts of single units by more than 40 per cent. In addition, at year end inventories were almost 40 per cent below year-earlier levels.

Construction of multiple dwelling units was considerably more volatile. Although the MURB incentive program was officially terminated at the end of 1981, it still had a significant impact on starts in 1982 because of some of its provisions. The November 1981 budget stipulated that soft costs were to be allowed full tax write-off in 1982 in cases where the footings or base supports of units under MURB were in place by December 31, 1981 or where arrangements for construction were substantially advanced before November 1981. Some units which were registered under MURB in 1981 were not put under construction until early 1982. The large increase in construction in the first quarter added considerably to inventories of unsold dwellings in the face of weak demand. Starts then fell off sharply and it

Table 3.5
New Housing Indicators

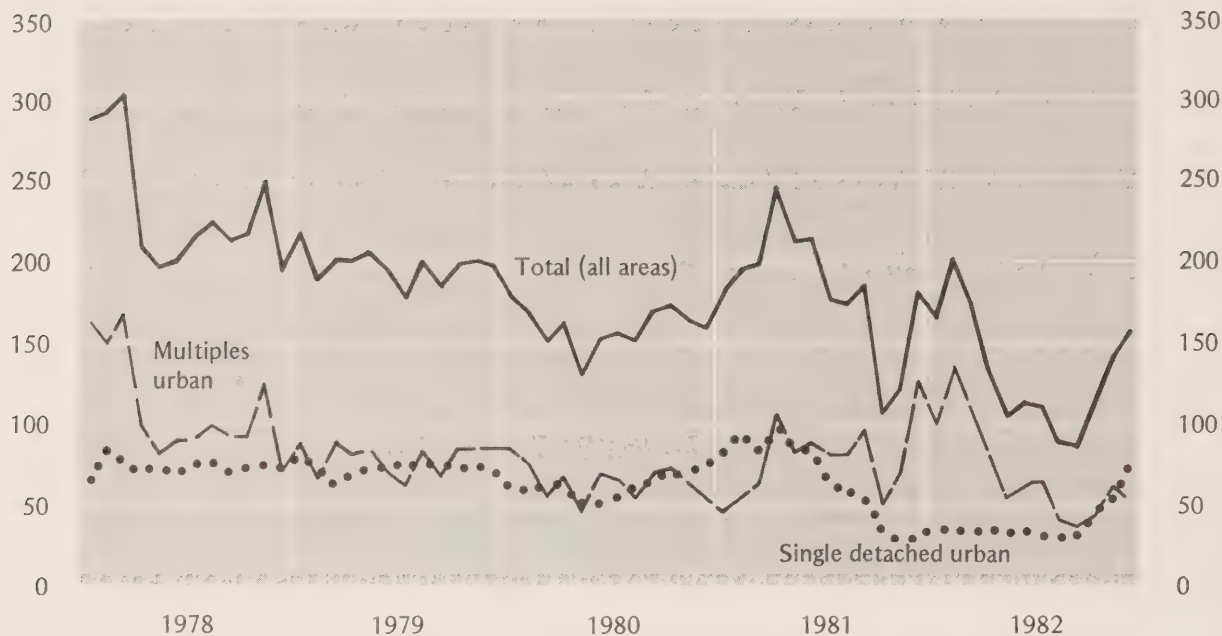
	1978	1979	1980	1981	1982
	(percentage change)				
Real residential construction expenditure	- 1.8	- 2.8	- 6.1	5.6	- 23.5
	(thousands)				
Housing starts	227.7	197.0	158.6	178.0	125.9
Urban - Singles	72.9	72.9	60.7	63.4	39.1
Multiples	105.8	78.8	64.3	79.0	65.7
Total	178.7	151.2	125.0	142.4	104.8
	(per cent)				
Conventional mortgage rate	10.6	12.0	14.3	18.2	17.9

Source: Statistics Canada, *Canadian Statistical Review*, monthly, cat. 11-003; Bank of Canada, *Review*, monthly; Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*, annual.

Chart 3.1

Housing Starts

Thousands of units



Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*, annual.

was not until the final quarter of the year that the various government incentive programs and lower mortgage rates induced a moderate increase in starts. One effect of the MURB program was a slight increase in the apartment vacancy rate in 1982 following a very tight rental market situation in 1981.

Demand for existing homes was much lower during the first half of 1982 than the corresponding period of 1981, but rebounded in the fourth quarter of the year mainly in response to lower interest rates. Average house prices declined in the first three quarters of the year and, in December 1982, the average sale price was 9.4 per cent below its December 1981 level.

Fixed Investment

Real business investment in plant and equipment declined 11.5 per cent in 1982 (see Table 1.1) a postwar record. The decline followed three consecutive years in which business investment provided a major source of strength to the economy, posting an average rate of growth of 8.6 per cent during 1979-1981. The trend towards an increase

in business investment as a share of GNE, from 13.9 per cent in the 1970s to 16.3 per cent in 1980-1981 on average, was reversed in 1982 as the share fell to 15.2 per cent.

After slowing in the latter half of 1981, investment growth turned negative in the first quarter of 1982 and continued to decline until the fourth quarter when it registered a small increase. A decline would have been expected on the basis of normal cyclical patterns as capital spending responded to weakening final demand, declining rates of capacity utilization and generally weakening corporate balance sheets. The decline in 1982 was more acute, presumably due to historically high interest rates which increased financing costs substantially. Profit margins were eroded as weak product demand prevented interest, energy and other operating costs from being passed on fully to prices. By the end of 1982, the manufacturing sector was using only 63 per cent of its available capacity, down from almost 83 per cent in early 1981.

The progressive deterioration in the investment climate throughout 1982 is reflected in the survey

of capital spending intentions taken at the beginning of 1982 and again in mid-1982. At the beginning of the year, the business sector expected to increase nominal capital spending by 14.0 per cent in 1982. The anticipated increase in capital outlays at mid-year was revised down to 3.6 per cent. In contrast, investment actually declined 4.0 per cent in 1982, after increasing 19.4 per cent in 1981. Actual investment outcomes were consistently below the original and revised intentions in both the energy and non-energy sectors.

The weakness in investment spending was particularly concentrated in the non-energy sector. As indicated in Table 3.6, actual total non-energy investment declined 9.6 per cent in 1982, after increasing at an average annual rate of 19.1 per cent in 1980 and 1981. Investment in both goods-producing and services – producing industries fell substantially. Within the goods – producing sector, the largest decline occurred in the forestry sector in response to depressed world demand and falling international prices for forestry products. Manufacturing investment also fell

Table 3.6
New Business Capital Expenditures ⁽¹⁾
(Current dollars)

	Share of total in 1982	1980	1981	1982
	(per cent)	(percentage change)		
Non-energy				
Agriculture and fishing	8.2	2.3	8.8	— 8.5
Mining	5.2	63.5	35.7	— 5.1
Forestry.....	0.3	14.1	— 17.9	— 48.4
Manufacturing	18.5	31.4	26.2	— 15.8
Construction.....	2.3	12.5	17.7	— 3.3
Total goods-producing sector	34.0	23.8	21.6	— 12.3
Transportation, storage and communication	12.6	15.5	19.5	0.5
Trade.....	3.2	9.8	15.6	— 13.2
Finance, insurance and real estate	7.3	11.9	22.0	— 10.2
Community, business and personal services.....	7.5	14.3	7.9	— 10.0
Total services sector	30.6	13.6	16.5	— 6.4
Total non-energy	65.1	18.9	19.2	— 9.6
Energy				
Electric power	15.8	— 4.0	19.8	17.0
Petroleum and gas extraction	12.3	44.9	12.4	— 5.5
Pipelines	3.7	163.2	190.0	15.7
Gas distribution	1.0	47.2	5.8	26.3
Petroleum and coal products	2.1	18.5	160.2	31.8
Total energy	34.9	19.5	26.9	8.7
Total	100.0	19.0	21.5	— 4.0

⁽¹⁾ Excludes investment for housing, institutions and for public administration.

Source: Statistics Canada, *Private and Public Investment in Canada*, annual, cat. 61-206

Chart 3.2

Real Business Inventories and Sales ⁽¹⁾

Billions of 1971 dollars



(1) Sales include consumer expenditure on goods, business investment (including residential construction), exports of goods, government non-wage current expenditure, and government investment.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001 and Department of Finance.

substantially, particularly in the wood, transportation equipment, and non-metallic mineral product industries. In the services sector, the trade industries recorded the largest decline in capital outlays, following a year of strong growth in 1981.

Capital outlays in the energy sector continued to provide a net stimulus to the economy in 1982, though the increase of 8.7 per cent was less than in 1980 and 1981. Energy investment as a share of GNE reached its highest level in the postwar period. Capital expenditures by the petroleum and coal products and gas distribution industries again increased particularly rapidly following strong growth in 1980 and 1981. On the other hand, the current world oil glut, the uncertain outlook for world oil prices, and greater uncertainty regarding the viability of energy megaprojects caused investment outlays in the petroleum and gas extraction industry to decline in 1982 following a decade of strong growth.

Real investment in non-residential construction, which had been a source of strength throughout 1981, declined 6.0 per cent in 1982 (see Table 1.1). Energy investment, which accounts for over half of total non-residential construction outlays in real terms, again provided much of the strength. Real investment in machinery and equipment, which can be adjusted more readily to changes in economic activity, began declining in the last half of 1981 and fell a further 16.4 per cent in 1982. The non-energy goods sector, which accounts for approximately 50 per cent of the investment in machinery and equipment, was the major contributor to this weakness.

Inventories

Real non-farm business inventories declined an unprecedented \$3.2 billion (1971 dollars) in 1982. The reduction in inventory levels accounted for about half of the decline in real GNE in 1982.

Inventory holdings are managed by firms in relation to sales. The speed of adjustment of inventories is normally less than that of sales during the early phase of a recession; hence an increase in the inventory-to-sales ratio is to be expected during this period. This was the case during the early part of the 1981-1982 recession. However, because of the restraining influence of historically high interest rates, which contributed to a signifi-

cant rationalization of inventory stocks, the peak inventory-to-sales ratio (adjusted for trend) attained in 1982 was lower than during the recession in 1980 (see Chart 3.2). In the last three quarters of 1982, inventories declined at a more rapid pace than GNE and the inventory-to-sales ratio fell to a level below the long-term trend relationship by the end of the year.

In terms of sectoral inventory drawdowns, the retail sector was the first to reduce its stocks. Reductions of auto stocks were particularly large. Inventory drawdowns in the manufacturing sector were led by lower raw materials stocks. This sector eventually reduced its stocks at the finished goods stage of production but this was more difficult, as retailers and wholesalers were also reducing their stocks significantly. During the 1981-1982 recession, inventory stocks fell 18 per cent in the retail sector, 15 per cent in the wholesale sector and 11 per cent in the manufacturing sector. The retail and wholesale sectors also experienced a much greater drop in their inventory-to-sales ratios.

Corporate Profits

Corporate profits before taxes fell 33.3 per cent on a national accounts basis in 1982, following a decline of 10.5 per cent in 1981. The unprecedented downturn in profits, which began in the second quarter of 1981, lasted five consecutive quarters. Profits started to turn up in the third quarter of 1982. Profits as a share of net national income fell precipitously from 15.9 per cent in 1980 to 12.8 per cent in 1981 and to a postwar record low of 8.2 per cent in 1982.

Profit/sales ratios of Canadian industries, including both large and small firms, declined from a peak of 8.5 per cent in the last quarter of 1979 to 3.7 per cent in 1982. Over the same period, the profit margin of large industries fell from 10.4 per cent to 4.4 per cent (Table 3.7), reaching a low of 4.1 per cent in the second quarter of 1982. The after-tax rate of return on equity of large firms declined sharply, falling from a peak of 4.6 per cent in the third quarter of 1979 to 1.4 per cent in 1982.

The most rapidly increasing component of corporate expenses in 1982 was interest costs. The interest burden for large industrial corporations (defined as the ratio of interest expenses to net income adjusted to include interest expenses)

Table 3.7

Selected Financial Ratios⁽¹⁾ of Large Industrial Corporations

	1977	1978	1979	1980	1981	1982
	(ratio)					
Internal funds ⁽²⁾ /capital outlays	0.84	0.98	0.84	0.74	0.46	0.40
Current assets/current liabilities.....	1.64	1.65	1.60	1.59	1.51	1.39
Current assets minus inventories/current liabilities	0.90	0.93	0.91	0.88	0.83	0.75
Total debt/equity	1.23	1.23	1.28	1.25	1.37	1.53
	(per cent)					
Profit margin on sales	7.5	7.7	9.8	9.9	8.2	4.4
After-tax return on equity	3.0	3.2	4.4	4.1	3.1	1.4
Interest burden	30.4	28.5	24.8	27.5	40.2	64.9

⁽¹⁾ Ratios in the upper part of the table are calculated for the third quarter of each year; those in the lower part of the table are averages for the first three quarters of each year.

⁽²⁾ Internal funds are equal to the sum of net income after taxes and dividends (i.e. retained earnings), plus depreciation and depletion allowances.

Source: Statistics Canada, *Industrial Corporation Financial Statistics*, quarterly, cat. 61-003 and Department of Finance.

increased to 64.9 per cent in 1982 from a low of 24.0 per cent in the fourth quarter of 1979 as a result of both higher interest costs and lower net income. Interest payments were a volatile component because of rapid changes in rates and the increased amount of floating-rate debt carried by firms. The increase in material and labour costs slowed significantly in 1982 from that in 1981, reflecting price and wage cost developments and cost-cutting operations by corporate management.

Profit margins were most severely squeezed in the mining and manufacturing sectors. The most precipitous decline in profits occurred in the metal mining industries which experienced a net income loss in 1982. The industries in the manufacturing sector whose margins were most severely affected were wood, paper and allied, primary metal and transportation equipment. The wood industry sustained a net income loss for five consecutive quarters commencing in the third quarter of 1981. Profit margins in the services-producing sector, although generally less sensitive to cyclical conditions, also underwent a steady erosion in the last two years. Most of the declines were concentrated in the wholesale and particularly in the retail trade sectors. Other service industries such as communication and com-

munity, business and personal services were much less affected.

Corporate Liquidity

The combination of greatly reduced profits and growing corporate debt led to a further marked decline in the traditional indicators of financial strength of the corporate sector in the first three quarters of 1982, following a significant deterioration in 1981. In 1982, there was a further reduction in corporate internal financing of new fixed investment as the ratio of internal funds to capital outlays fell for the third consecutive year to a new low, well below half that experienced over the 1977-1979 period (Table 3.7). Concomitantly, the sharp decline in corporate earnings, coupled with the difficulty of raising funds in depressed equity markets, forced corporations to increase further their dependence on external debt to meet their financial requirements. The debt-to-equity ratio of industrial corporations rose sharply in the last half of 1981 and again in the first half of 1982 to an historical high of 1.53 in the second quarter of 1982. Although the debt-to-equity ratio levelled off in the second quarter of 1982, it stood significantly above the average level of 1.25 recorded over the 1977-1980 period.

Table 3.8

Sources and Uses of Funds of Large Industrial Corporations For All Industries

	1978	1979	1980	1981	1982 ⁽¹⁾
	(billions of dollars)				
Sources					
Income before taxes	14.9	22.6	27.1	26.0	15.2
Net extraordinary income	0.2	0.0	0.8	0.6	0.0
Depreciation allowances	5.9	6.7	7.7	8.8	10.0
Share capital	2.7	4.8	6.2	4.1	4.2
Long-term debt	5.7	8.9	9.8	19.7	17.6
Miscellaneous adjustments and residual ⁽²⁾	0.3	0.0	1.1	1.3	- 2.0
Total	29.3	42.9	50.6	60.4	44.9
Uses					
Income and other taxes	5.7	8.6	10.7	11.3	7.6
Dividends	3.7	5.5	6.4	7.5	6.8
Capital investment	13.7	18.2	24.1	29.0	30.6
Intercompany investment	1.7	3.8	6.4	10.8	3.2
Other long-term assets ⁽³⁾	0.8	1.8	1.1	0.8	3.3
Working capital ⁽⁴⁾	3.5	5.0	4.2	0.9	- 6.6
Total	29.3	42.9	50.6	60.4	44.9

⁽¹⁾ Calculations are based on four quarters ending in the third quarter of the year indicated.

⁽²⁾ Includes contributed surplus, excess of appraised value of fixed assets over (depreciated) cost and retained earnings prior period adjustment, transfers, other adjustments, and retained earnings for corporations employing the equity method.

⁽³⁾ Includes long-term investments, other assets and the difference between capital expenditures and depreciation, depletion and change in fixed assets.

⁽⁴⁾ Working capital is a net concept defined as current assets minus current liabilities. Short-term debt is a component of current liabilities and thus does not appear separately as a source of funds.

Source: Statistics Canada, *Industrial Corporation Financial Statistics*, quarterly, cat. 61-003.

The downward trend in the various measures of corporate liquidity, which began in 1981, continued in 1982. The working capital ratio, indicating the extent to which current liabilities are backed by liquid assets, fell to an historical low of 1.39 in the third quarter of 1982 from a peak of 1.65 in 1978. The ratio of current assets less inventories to current liabilities, known as the "quick ratio", fell from 0.93 in the third quarter of 1978 to 0.75 in the third quarter of 1982. At the same time, much of the longer-term debt became

subject to floating interest rates and shorter maturities.

Sources and Uses of Funds⁽¹⁾

The total flow of funds in the large industrial corporate sector declined to \$44.9 billion in the four quarters ending in the third quarter of 1982 from \$60.4 billion in the preceding four quarters (Table 3.8). The reduced flow reflected mainly the

⁽¹⁾ The following discussion differs from that in Chapter 8 (Tables 8.2 and 8.4) in the following respects. First, data in this chapter are based on *Industrial Corporations Financial Statistics* while those in Chapter 8 are based on *Financial Flow Accounts* and the Bank of Canada Review. The universe covered by these data sources is somewhat different. Second, the analysis here covers only industrial corporations while the Chapter 8 data are more comprehensive and encompass all sectors of the economy. Third, data in this chapter refer only to the first three quarters of the year compared to full year data in Chapter 8. Finally, these different sources of data define various financial concepts, particularly short-term debt, somewhat differently.

decline in corporate earnings and less use of long-term debt.

The largest decline among sources of funds occurred in income before taxes which fell from \$26.0 billion in 1981 to \$15.2 billion in 1982. As a result, income before taxes was surpassed by long-term debt as the principal source of funds. Depreciation allowances continued to grow, reflecting the increased stock of capital. Share capital, which had declined sharply as a proportion of financing in 1981, increased in 1982, reflecting some improvement in the stock market after mid-year. Following the pattern of 1981, however, a large proportion of the share capital raised was in the form of retractable preferred shares, a type of financing which is more related to debt than to equity capital.

The end of the investment boom of the 1978-1981 period is evident in only a marginal increase in nominal dollar funds deployed for capital investment for the year ending in the third quarter of 1982. Intercorporate investment declined dramatically in 1982, following a flurry of take-over activity in 1981. The decline in corporate income led to a fall in corporate taxes. A notable development in 1982 was a reduction in dividends paid, an indication of the extent of the deterioration in corporate earnings. Dividends usually trend upwards, reflecting a general corporate policy of targeting dividends to permanent rather than temporary swings in earnings. Finally, a decline of \$6.6 billion in working capital marked the increasing strain in the cash flow position of the corporate sector, as the growth rate of current assets was outpaced by an increase in short-term debt.

4. The Labour Market

The decline in economic activity resulted in substantial losses in employment throughout 1982, increasing the average unemployment rate to 11.0 per cent from 7.6 per cent in 1981. The increase in the unemployment rate was dampened to a certain extent by recession-related declines in productivity and a slowing in the

growth of the labour force. Signs were emerging of year-end, however, that the employment situation was improving after continuous deterioration since the beginning of the recession in the third quarter of 1981. Table 4.1 summarizes major changes in labour market conditions in the last decade.

Table 4.1
Labour Force Developments

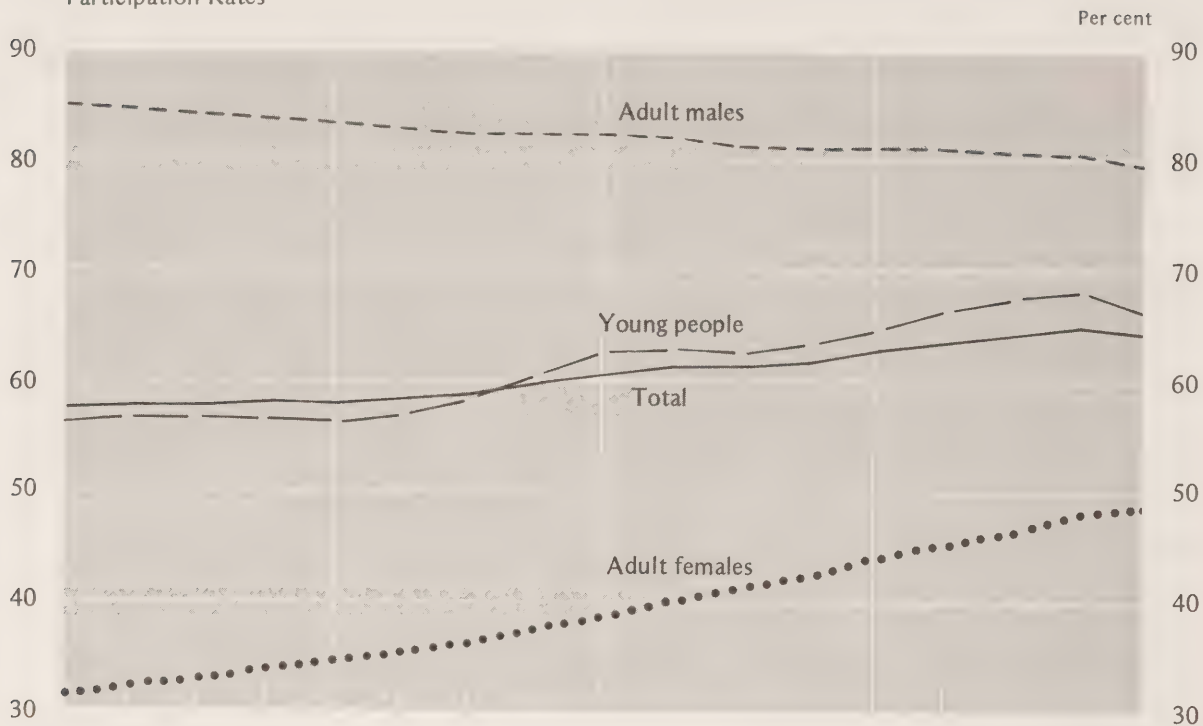
	Average								
	1970-1975	1976-1980	1976	1977	1978	1979	1980	1981	1982
	(percentage change)								
Employment growth									
Total	2.9	2.8	2.1	1.8	3.4	4.0	2.8	2.6	-3.3
Adult males	1.6	1.6	1.3	1.0	1.7	2.6	1.5	1.9	-2.3
Adult females	4.8	5.3	5.1	4.0	6.6	5.0	6.0	5.9	1.0
Youths (15-24 years)	3.7	2.4	0.7	1.0	3.1	5.6	1.6	0.3	-10.2
Source population growth									
Total	2.4	2.0	2.3	2.1	1.9	1.8	1.8	1.6	1.5
Adult males	2.2	2.1	2.3	2.1	1.9	1.9	2.2	2.3	2.4
Adult females	2.4	2.4	2.5	2.4	2.3	2.3	2.4	2.4	2.5
Youths	2.7	1.3	2.3	1.7	1.3	0.8	0.2	-0.5	-1.3
Labour force growth									
Total	3.3	2.9	2.3	2.9	3.7	3.0	2.8	2.7	0.4
Adult males	1.8	1.7	1.3	1.8	2.1	1.9	1.7	2.0	1.2
Adult females	5.3	5.3	5.3	4.8	7.0	4.2	5.5	6.1	3.4
Youths	4.6	2.7	1.5	3.0	3.2	3.7	1.9	0.4	-4.2
	(per cent)								
Participation rates									
Total	59.3	62.5	61.1	61.5	62.6	63.3	64.0	64.7	64.0
Adult males	82.5	80.9	81.1	80.9	80.9	80.9	80.5	80.3	79.3
Adult females	37.0	43.6	41.1	42.1	44.0	44.8	46.2	47.9	48.3
Youths	59.4	64.7	62.4	63.2	64.4	66.2	67.3	67.9	65.9
Unemployment rates									
Total	6.0	7.7	7.1	8.1	8.4	7.5	7.5	7.6	11.0
Adult males	3.9	4.7	4.2	4.9	5.2	4.6	4.8	4.9	8.1
Adult females	5.4	7.0	6.6	7.4	7.7	7.0	6.5	6.7	8.8
Youths	10.5	13.6	12.7	14.5	14.6	13.1	13.3	13.4	18.8

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001.

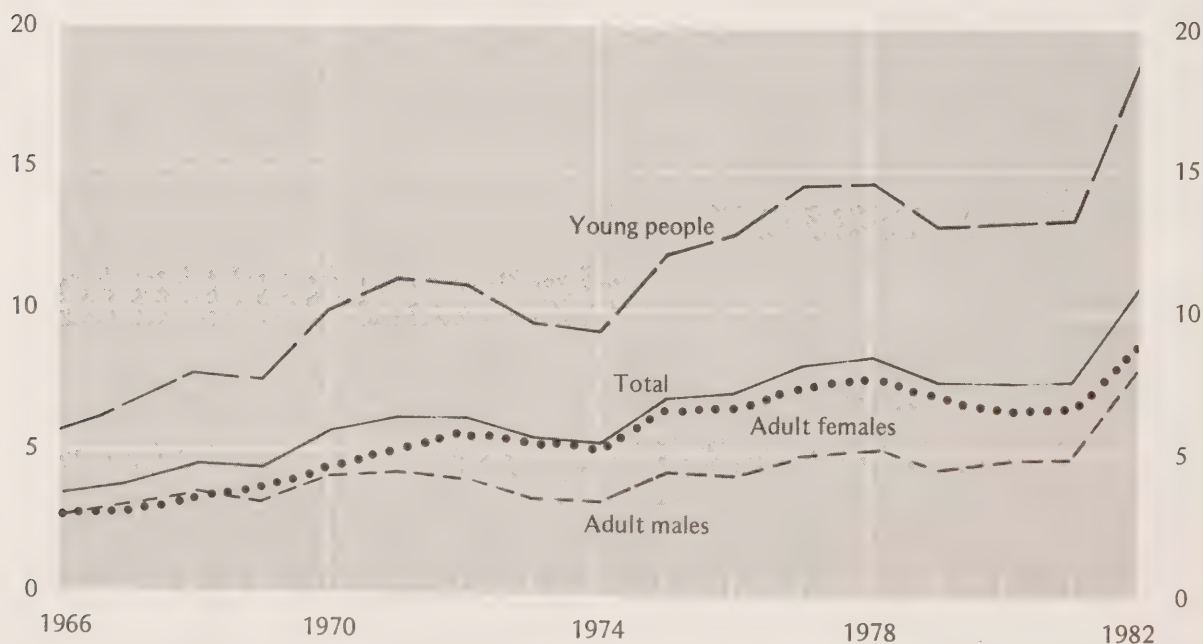
Chart 4.1

Participation and Unemployment Rates

Participation Rates



Unemployment Rates



Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001.

Labour Supply

Changes in the labour force may be broken down into two factors: growth of the working-age population and changes in its rate of participation in the labour market. The first factor has been relatively stable in recent years but the overall participation rate climbed significantly during the 1970 to 1981 period. This overall upward trend in the participation rate, however, masks a downward trend in the participation rate of adult males and upward trends in participation rates of adult females and youths. These trends led to significant increases in the proportion of adult females and youths in the labour force.

Because of the dominance of cyclical factors in 1982, some of these trends were reversed. The overall participation rate fell for the first time in a decade, contributing a 1.1 – percentage – point reduction to the overall growth rate of the labour force (Table 4.2). The labour force increased only 0.4 per cent in 1982, as the source population grew 1.5 per cent. If the past trend in the participation rate had continued, the labour force might have grown by 2.7 per cent, the same as in 1981. The participation rate declined because the discouraged worker effect – people leaving the labour force because they could not find jobs – more than offset the additional worker effect – people entering the labour force because of increased unemployment in the family. The

participation rate of youths fell 2 percentage points in 1982 after increasing almost 10 percentage points in the last decade, reducing the youth labour force by 4.2 per cent in 1982 compared to an increase of 0.4 per cent in 1981. Although the participation rate of males declined and that of females increased, as in the last 10 years, recession-related effects significantly slowed the growth of the labour force of these two groups. The increase in the labour force of adult males was 1.2 per cent and that of adult females 3.4 per cent in 1982, compared to increases of 2.0 per cent and 6.1 per cent respectively in 1981.

As indicated in Table 4.3, the number of discouraged workers appears to have increased significantly in 1982 with the highest rate of increase occurring for adult males. Youths remained the largest group of discouraged workers. There was also a large increase in the number of adult female discouraged workers. However, there are indications that for this last group, the additional worker effect was also quite strong. For example, the participation rate of adult married females with unemployed husbands increased significantly in 1982 to 59.4 per cent, from 56.1 per cent in August 1981, overtaking the participation rate of females with employed husbands at 58.4 per cent in 1982 compared to 57.1 per cent in August 1981.

Table 4.2
Factors Contributing to Labour Force Growth, 1982

	Total	Adult males	Adult females	Youths
Percentage point contribution from population growth.....	1.5	2.4	2.5	– 1.3
Percentage point contribution from change in participation.....	– 1.1	– 1.2	0.9	– 2.9
Percentage change in labour force, 1982	0.4	1.2	3.4	– 4.2
(Potential percentage change in the labour force if participation had followed average percentage change of the last 5 years)	(2.7)	(2.2)	(5.5)	(– 0.2)

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001.

Table 4.3

Discouraged Workers – Proxy Indicators⁽¹⁾

	1976	1977	1978	1979	1980	1981	1982
Total							
Thousands.....	33.0	45.0	52.0	49.0	53.0	57.0	110.0
Percentage change	—	36.4	15.6	– 5.8	8.2	7.5	93.0
Adult males							
Thousands.....	10.0	12.0	14.0	14.0	16.0	16.0	33.0
Percentage change	—	20.0	16.7	0.0	14.3	0.0	106.3
Share of total	30.3	26.7	26.9	28.6	30.2	28.1	30.0
Adult females							
Thousands.....	10.0	14.0	18.0	15.0	17.0	18.0	33.0
Percentage change	—	40.0	28.6	– 16.7	13.3	5.9	83.3
Share of total	30.3	31.1	34.6	30.6	32.1	31.6	30.0
Youths							
Thousands.....	13.0	19.0	21.0	20.0	20.0	23.0	45.0
Percentage change	—	46.2	10.5	– 4.8	0.0	15.0	95.7
Share of total	39.4	42.2	40.4	40.8	37.7	40.4	40.9

⁽¹⁾ The actual number of discouraged workers is difficult to measure. These Statistics Canada figures represent "those who are not in the labour force because they believe no work is available", and are used here as a proxy for discouraged workers. Statistics Canada warns that it is impossible to accurately measure discouragement, and those represented in this table could reflect those with a low intensity of job search and inaccuracies due to the fact that the Labour Force Survey interviews only one member of each household regarding other members. Because of the inability to accurately measure discouraged workers, their totals are not computed into the official unemployment rate in any industrialized nation.

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001.

Labour Demand

In the face of the sharp decline in output in 1982, average annual employment declined for the first time in Canada. Employment fell 3.3 per cent in 1982, and 5.4 per cent from the peak in August 1981 to the trough of November 1982. However, a reversal occurred in December 1982 as employment increased 0.2 per cent. For the year as a whole, employment declined 359,000 in 1982, compared to a gain of 278,000 jobs in 1981. From August 1981 to the end of 1982, employment fell 578,000.

Employment in the goods-producing industries fell 9.0 per cent, accounting for 89.4 per cent of the total 1982 decline in employment, after making an above-average contribution to job creation in 1981. On an industrial basis, manufacturing accounted for 54.0 per cent, construction 15.3

per cent and non-agricultural primary industries 14.8 per cent of the decline in employment. As can be seen in Table 4.4, the patterns of employment change in the goods-producing industries in 1982 generally reflected the relative declines in output which occurred. In agriculture, employment fell while output increased. In the non-agricultural primary industries and construction, the decline in employment was larger than the decline in output. This rationalization of employment could explain the relative stabilization of employment in these industries in the latter part of 1982 when employment in other industries was still declining. Employment in manufacturing fell less steeply than output.

Employment in service industries fell 0.5 per cent to account for the remaining 10.6-per-cent decline in total employment in 1982. In the service sector, not only was output less sensitive to

Table 4.4
Measures of Employment and Output in 1982

	Change in employ- ment	Employment			Output ⁽¹⁾
		Full- time	Part- time	Total	
	(thou- sands)		(percentage change)		
Canada.....	- 359	- 4.3	3.0	- 3.3	- 5.0
Adult males	- 118	- 2.7	13.0	- 2.3	
Adult females.....	32	0.7	2.2	1.0	
Youths	- 274	- 14.1	2.2	- 10.2	
Agriculture	- 19	- 3.3	- 6.8	- 3.9	2.6
Other primary	- 53	- 17.2	n.a.	- 16.9	- 12.3
Manufacturing	- 194	- 9.5	0.0	- 9.1	- 12.3
Construction	- 55	- 9.4	5.3	- 8.5	- 8.3
Trade	- 36	- 3.5	3.6	- 1.9	- 8.8
Transportation, communication, and utilities	- 29	- 3.5	4.3	- 3.1	- 3.0
Finance, insurance, and real estate	9	1.3	1.8	1.5	0.1
Community, business, and personal services	17	- 0.5	4.2	0.5	- 0.8
Public administration	0	0.0	0.0	0.0	3.2
Goods-producing	- 321	- 9.1	- 2.0	- 9.0	- 9.4
Services-producing	- 39	- 1.4	3.8	- 0.5	- 2.3

⁽¹⁾ Real domestic product.

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001; and *Indexes of Real Domestic Product by Industry*, monthly, cat. 61-005.

the recession, as is traditionally the case, but also employment was less sensitive to output losses which did occur. In 1982, the transportation, communication and utilities industries suffered the largest employment declines among service industries. Employment in the trade industry also declined, affected by low business and personal expenditures. Although other services-producing sectors suffered some output losses, employment increased over-all. The degree of implied under-utilization of employees in the 1981-1982 recession, especially in the goods-producing sector, was less than in previous recessions. In 1982, high interest rates and hence inventory costs, the severity of the squeeze on profits and the length of the recession apparently led firms to minimize the degree of cyclical under-utilization of the

work force. Thus, rather large declines in employment tended to accompany the large declines in output.

In past recessions, the services sector provided strength for total employment, as indicated in Table 4.5. In the 1974-1975 recession, goods-producing employment declined 3.7 per cent, while services-producing employment grew 3.5 per cent and in absolute terms more than offset the decline in goods-producing employment. During 1979-1980, service employment again increased to more than offset the decline in goods-producing employment. In the 1981-1982 recession, however, the decline in labour demand was more broadly based, affecting both sectors.

Table 4.5

**Cumulative Change in Employment and Output in the 1974-1975, 1979-1980
and 1981-1982 Recessions**

	June 1974- March 1975	November 1979- June 1980	August 1981- December 1982			
(cumulative change in thousands)						
Employment						
Total	98	60	- 578			
Adult male	22	38	- 219			
Adult female	58	22	16			
Youths	18	0	- 375			
Agriculture	- 12	- 11	- 30			
Other primary	1	8	- 75			
Manufacturing	- 121	- 4	- 307			
Construction	11	- 31	- 91			
Transportation, communication and utilities	24	9	- 23			
Trade	45	- 20	- 87			
Finance, insurance and real estate	0	59	- 24			
Community, business and personal services	126	22	62			
Public administration	8	40	9			
Goods-producing	- 121	- 38	- 503			
Services-producing	203	110	- 63			
	Employ- ment	Output ⁽¹⁾	Employ- ment	Output ⁽¹⁾	Employ- ment	Output ⁽¹⁾
(percentage change)						
Total	1.1	- 1.4	0.6	- 0.9	- 5.3	- 6.3
Adult male	0.5		0.8		- 4.3	
Adult female	2.6		0.8		0.5	
Youths	0.8		0.0		- 13.9	
Agriculture	- 2.5	13.2	- 2.3	6.2	- 6.1	5.5
Other primary	0.5	- 10.7	2.8	- 2.0	- 23.1	- 11.6
Manufacturing	- 6.2	- 7.4	- 0.2	- 5.5	- 14.4	- 17.1
Construction	1.9	- 0.3	- 4.8	- 3.8	- 13.9	- 7.4
Transportation, communication and utilities	3.1	- 1.0	1.0	0.5	- 2.5	- 5.1
Trade	2.9	- 2.5	- 1.1	- 0.2	- 4.6	- 9.0
Finance, insurance and real estate	0.0	2.8	10.7	2.0	- 4.0	0.3
Community, business and personal services	5.3	2.6	0.7	0.3	1.9	- 2.1
Public administration	1.3	2.8	5.8	2.3	1.2	3.6
Goods-producing	- 3.7	- 4.9	- 1.1	- 3.7	- 14.0	- 12.1
Services-producing	3.5	0.9	1.6	0.8	- 0.9	- 2.9

Note: Totals may not add as this table uses seasonally-adjusted data. Totals are seasonally-adjusted by Statistics Canada on a male/female basis, whereas industries are seasonally-adjusted separately.

(¹) Real domestic product.

Source: Statistics Canada, *The Labour Force*, monthly cat. 71-001.

Youths accounted for 77 per cent of the total decline in employment in 1982. Youth employment, which was also weak in 1981, declined a large 10.2 per cent in 1982, indicating that those with the least job experience and seniority were the first to be affected by declining output. Adult males accounted for 33 per cent of the decline in employment. After 1.9-per-cent growth in 1981, adult male employment declined 2.3 per cent in 1982. Adult female employment increased in 1982, although not by enough to absorb the 3.4-per-cent increase in the adult female labour force. Employment for this group increased only 1.0 per cent, after 5.9-per-cent growth in 1981. Adult females experienced growth in both full- and part-time jobs, which likely reflects their predominance in the more cyclically stable industries.

Part-time Employment

As can be seen in Table 4.6, part-time employment grew strongly over the 1975-1981 period. Growth in full-time employment during this period averaged 2.2 per cent annually while part-time employment grew at an annual rate of 6.7 per cent. Although part-time employment accounted for only between 10 and 13 per cent of total employment, it contributed about 0.9 percentage points to the average 2.8-per-cent annual growth rate of total employment. Over 85 per cent of all part-time jobs were in service industries. Adult females and youths almost equally shared about 92 per cent of part-time employment, and adult males accounted for the remaining 8 per cent.

In 1982, the 3.0-per-cent growth of part-time employment was less than half of the average rate during the 1975-1981 period. The service industries accounted for all of the increase in part-time employment as goods-producing industries experienced losses in both part- and full-time jobs. Within services, part-time employment grew most rapidly in the transportation, communication and utilities industries, the community business and personal services sector, and trade (Table 4.4).

Two major reasons account for the relatively smaller impact of the recession on part-time employment in 1982. First, output weakness was concentrated in the goods-producing sector, which accounts for a small proportion of total part-time jobs. Second, firms facing weak

demand in 1982 appear to have substituted part-time for full-time jobs. Table 4.6 indicates that the most outstanding characteristic of part-time employment in 1982 was the substantial increase in the number of people who were employed part-time because they could not find full-time work. Part-time employment for reasons other than the non-availability of full-time work actually declined in 1982.

Canada-United States Comparison of Major Labour Market Developments

The labour markets in both Canada and the U.S. have been extraordinarily weak since the summer of 1981. In both countries, employment declined, unemployment increased, and unemployment rates reached record levels. However, despite these common trends, the differences in the pattern of output in the two countries contributed to differences in the timing and the depth of respective labour market responses.

Table 4.7 provides cumulative changes in major output and labour market indicators for the 12-month and 18-month periods ending December 1982. Over both these periods, Canada experienced a larger decline in employment and larger increases in unemployment and the unemployment rate than did the U.S. The 1981-1982 recession was the first during the post war period in which employment declined relatively more in Canada than in the U.S. This was due to the significantly larger decline in Canada's output, since total employment appears to have been slightly more sensitive to observed output declines in the U.S. Industrial production in Canada declined 11.2 per cent during 1982 compared to a 5.9-per-cent decline in the U.S. Another significant difference to note is that most of the employment losses and half of the output losses in the U.S. during the current recession occurred prior to the beginning of 1982, whereas in Canada, employment and output losses were more concentrated in 1982.

In Canada, over 80 per cent of the increase in unemployment in 1982 was due to declines in employment. In the U.S., on the other hand, strong labour force growth accounted for over 75 per cent of the observed increase in unemployment during 1982. Even over the extended period July 1981 to December 1982, labour force growth accounted for more than one-half of the

Table 4.6

Full- and Part-time Employment in Canada During 1975-1982

	Total employment			Full-time			Part-time	
	(thousands)	(percent-age change)	(thousands)	(percent-age change)	(share of total)	(thousands)	(percent-age change)	(share of total)
1975	9,284	—	8,296	—	89.4	988	—	10.6
1976	9,479	2.1	8,432	1.6	89.0	1,047	6.0	11.0
1977	9,648	1.8	8,519	1.0	88.3	1,129	7.8	11.7
1978	9,972	3.4	8,764	2.9	87.9	1,208	7.0	12.1
1979	10,369	4.0	9,068	3.5	87.5	1,301	7.7	12.5
1980	10,655	2.8	9,268	2.2	87.0	1,388	6.7	13.0
1981	10,933	2.6	9,456	2.0	86.5	1,477	6.5	13.5
1982	10,574	- 3.3	9,052	- 4.3	85.6	1,522	3.0	14.4

Reasons for Part-time Employment⁽¹⁾

	Could not find full-time work		Family responsibilities		Schooling		Did not want full-time work	
	(percent-age change)	(share of total)	(percent-age change)	(share of total)	(percent-age change)	(share of total)	(percent-age change)	(share of total)
1975	—	11.0	—	12.1	—	34.8	—	36.8
1976	15.6	12.0	10.8	12.7	2.3	33.6	5.8	36.8
1977	28.6	14.3	7.5	12.7	2.3	31.9	5.2	35.9
1978	22.2	16.4	2.8	12.2	0.3	29.9	8.1	36.3
1979	12.6	17.1	1.4	11.5	10.8	30.7	6.4	35.8
1980	9.9	17.7	18.1	12.7	4.3	30.1	3.6	34.8
1981	9.0	18.1	2.8	12.3	6.0	29.9	8.5	35.5
1982	40.8	24.7	- 15.5	10.1	- 6.1	27.3	- 1.9	33.8

⁽¹⁾ Shares do not add to 100 due to the exclusion of a small category called "other reasons".

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001.

overall increase in unemployment in the U.S. compared to less than 20 per cent in Canada. Somewhat unexpectedly, the overall participation rate increased in the U.S. in 1982 at about the same pace as in the previous two years. As previously discussed, the overall participation rate declined in Canada in 1982.

The unemployment rate was 7.6 per cent in both Canada and the U.S. in 1981. In 1982, the unemployment rate rose to 11.0 per cent in Canada and to 9.7 per cent in the U.S.

Table 4.7

**Major Labour Market and Output Indicators in Canada and the U.S. during 1982
and since July 1981**

	December 1981 to December 1982		July 1981 to December 1982	
	Canada	U.S.	Canada	U.S.
Cumulative changes in:				
Industrial production ⁽¹⁾				
(percentage change)	- 11.2	- 5.9	- 18.1	- 12.3
Real GNE ⁽²⁾	- 5.7	- 1.1	- 7.5	- 1.9
Employment ⁽³⁾				
(level)	- 419,000	- 600,000	- 549,000	- 1,700,000
(percentage change)	- 3.4	- 0.6	- 5.1	- 1.6
GNE/employee				
(percentage change)	- 1.5	- 0.1	- 1.7	- 0.2
Labour force				
(level)	87,000	2,000,000	130,000	2,500,000
(percentage change)	0.7	1.8	1.1	2.3
Unemployment				
(level)	506,000	2,600,000	679,000	4,200,000
(percentage change)	49.3	28.2	79.5	53.2
Share due to employment decline	82.8	23.1	80.9	40.5
Share due to labour force growth	17.2	76.9	19.1	59.5
Unemployment rate				
Beginning of period	8.5	8.6	7.2	7.2
End of period	12.8	10.8	12.8	10.8
(percentage point increase)	4.3	2.2	5.6	3.6

⁽¹⁾ Industrial production is the only output measure available on a monthly basis in both countries.

⁽²⁾ From first quarter 1982 to fourth quarter 1982 and second quarter 1981 to fourth quarter 1982. GNE/employee measures are calculated using comparable quarterly employment figures.

⁽³⁾ The job creation figures here are different from those in Table 4.4 because those figures are calculated as the difference between average employment in 1982 and 1981.

Source: Statistics Canada, *The Labour Force*, monthly cat. 71-001; and *Indexes of Real Domestic Product by Industry*, monthly, cat. 61-005; U.S. Department of Labour, *Employment and Earnings* and Board of Governors of the Federal Reserve System, *Federal Reserve Bulletin*.

5. Sectoral and Regional Developments

The economic recession that began in the second half of 1981 affected all major sectors and regions in 1982. Output increased in fishing and public administration, as well as in agriculture, especially in Manitoba and Saskatchewan because of record or near-record grain crops. In all other sectors output fell, particularly in forestry, mining, manufacturing, construction and trade, or increased only slightly. The overall decline in output was shared by all regions and provinces. Average employment in 1982 fell in all provinces except Saskatchewan. Particularly sharp decreases in employment occurred in the goods-producing sectors; employment in the service sectors also declined as modest increases in finance, insurance and real estate and in community, business and personal services were more than offset by declines in other service sectors.

Sectoral Developments

Agriculture

Farm cash receipts decreased slightly in 1982, reflecting a significant decline in grain prices due to the high level of world reserves at the start of the season, which was partly offset by higher prices for livestock and products. The increase in farm production in 1982 was due almost wholly to record grain harvests and high oil-seed production in Manitoba and Saskatchewan as a result of increased acreage seeded and unprecedented yields. Frost in late August in the Prairie provinces did not greatly affect grain crops but did severely reduce the quantity and quality of harvested canola; in Ontario, the frost severely affected the tobacco harvest. Total Canadian fruit production was greater in 1982 than in 1981 and the principal vegetable crops also were larger. Slaughtering of Canadian cattle increased moderately in 1982, although the average slaughter weight declined. Domestic hog production fell slightly, whereas exports to Japan increased. Employment in agriculture fell in 1982, especially in the first part of the year, with the biggest declines being in Ontario and the Prairies.

Fishing

Although continuing to benefit from increased groundfish stocks because of the 200-mile limit,

the fishing industry in 1982 again experienced economic and structural problems. The world recession curtailed demand, high interest rates added to costs, and fishing and processing capacity remained high. Nevertheless, according to preliminary data for 1982, output rose on the Atlantic coast as the value and volume of landings increased due mainly to a larger cod harvest which benefited from both higher quotas and a more successful trap fishery. One innovative development was the use of enterprise quotas to help reduce highly volatile seasonal peaks in harvesting and processing. However, the volume of scallops landed declined sharply, partly because of heavy exploitation in 1981. On the Pacific coast, the value and volume of fish landed decreased mainly because of a drop in the pink salmon catch, a reflection of an off-cycle year and the effects of flooding in 1980 on egg mortality. The harvest of other species of salmon, especially the relatively higher-priced sockeye salmon, increased.

Forestry

Production in the forestry sector fell sharply in 1982, after decreasing in 1981 and increasing only slowly in the preceding two years. Forestry output in mid-1982 was the lowest since late 1975 when both recession and long labour disputes affected forestry-related industries. Prices of lumber, pulp and paper fell in 1982. There were also numerous layoffs in the forestry sector.

The production of lumber fell again in 1982, following declines in the previous two years and particularly in the second half of 1981 when long labour disputes occurred on the West coast. The increase in U.S. demand throughout 1982 due to the rising number of housing starts, and in domestic demand in the latter part of the year when single detached housing starts rose, stimulated lumber production during the year.

Pulpwood production dropped in 1982, following a moderate increase in 1981. According to data from the Canadian Pulp and Paper Association, wood pulp production decreased sharply as exports to all major markets dropped, except to Japan where demand was slightly lower following a sharp decline in 1981. The production of paper

Chart 5.1

Gross Domestic Product in Constant (1971) Prices
(Year-over-year per cent change)



Source: Statistics Canada, *Gross Domestic Product by Industry*, monthly, cat. 61-005.

and paperboard also decreased in 1982, particularly in the tissue and special papers, container and boxboard, and newsprint industries. Newsprint exports declined sharply to almost all major markets, reflecting the impact of the recession, additional capacity in the United States and increased foreign competition due to the devaluation of the Swedish krona.

Mines

Mining, one of the sectors of the Canadian economy most affected by the world recession, experienced a substantial decline in output in 1982. Metallic and non-metallic mineral production was especially affected, and there were many temporary or permanent mine closings. Prices of most mining products fell substantially in 1982, despite a recovery in the latter part of the year.

The drop in metal mines production, which accounted for most of the decline in mining activity, was due mainly to decreased durables manu-

facturing and construction in North America. The three main products – iron, copper and nickel – all experienced large reductions. Zinc and lead production rose, however, partly because of a new mine in the Northwest Territories. Among non-metallic minerals, the decline in asbestos output that began in 1980 accelerated in 1982, primarily because of the slowdown in construction activity throughout North America. Potash production decreased considerably as exports fell, but for the second consecutive year potash inventories remained very high at year-end.

Mineral fuels production experienced the least decline among the major mining sectors in 1982. Canadian crude oil production decreased only moderately, reflecting a recovery over 1981 when Alberta had reduced production; there was also some substitution of Canadian oil for imported oil following an agreement between the federal government and some Eastern refiners. Natural gas production increased, though only slightly, because of higher exports and increased pene-

tration of the Canadian residential market. Coal production continued to grow in 1982, though more slowly, reflecting increases in domestic deliveries and inventories.

Manufacturing

The decline in output that began in the third quarter of 1981 continued in 1982, and for the year as a whole manufacturing production fell sharply. There were large and widespread layoffs in the sector and average employment dropped in all regions, accounting for almost 54 per cent of the average annual decrease in employment in 1982.

The impact of the recession on the manufacturing sector was widespread, but was most pronounced among durable goods, particularly the machinery and related industries, construction-related products and the consumer durable goods industries. The output of machinery, and of the related primary metals and metal fabricating industries, was curtailed by the substantial reduction of both exports of machinery and equipment and domestic investment. Output of iron and steel mills fell as exports of steel products decreased substantially, domestic demand for pipes and tubes was lower and there was a decline in the demand for steel products by motor vehicle and parts manufacturers. The drop in non-residential construction led to reduced demand for cement, concrete products and ready-mix concrete and consequently the non-metallic mineral products industries curtailed production substantially. Demand for wood products was also lower as housing starts earlier had declined in both Canada and the U.S., and output decreased for the third consecutive year. However, the decrease in production in the wood products industries was mainly concentrated in the early part of the year; output increased in the second and third quarters in response to higher exports of lumber and plywood as housing starts in the U.S. increased throughout the year.

The recession also affected some of the consumer-oriented industries, particularly durable goods, as demand decreased in response to high interest rates earlier in the year, increased unemployment, a decrease in real personal disposable income and lower housing construction. Consequently, production of major electrical appliances and household furniture declined by one-third. In

contrast, the output of the motor vehicle and parts manufacturers experienced a relatively small decrease in output as a sharp increase in exports partially offset reduced domestic sales of new motor vehicles. Domestic sales of new passenger cars manufactured in North America fell by about 25 per cent while sales of overseas-made cars declined at about half that rate and the market share of Japanese cars increased from 23 per cent in 1981 to 25 per cent in 1982. However, there were signs of improvement in the motor vehicle and parts and accessories industries as motor vehicle assembly increased in the first three quarters and production of parts increased in the second and third quarters. Among non-durable goods industries, there were substantial reductions in the outputs of textile and clothing mills and the leather and rubber industries. The output of the petroleum and coal products industries decreased for the fourth consecutive year, reflecting a sizeable decline in the net sales of refined petroleum products as demand fell cyclically and also as a result of the emphasis on fuel economy in automobiles and on heating oil conservation. Among other industries, production decreases were quite small in the food and beverage and tobacco industries, reflecting the lesser sensitivity of demand for these goods to cyclical changes in the economy.

Construction

Activity in the construction sector, which had increased sharply in 1981, experienced a significant decline in 1982 in both the residential and non-residential segments. Housing starts fell from year-earlier levels, especially in the second and third quarters, for the reasons outlined in Chapter 3. In the first quarter, the number of multi-unit residential housing starts was much higher than in the preceding quarter, and in the fourth quarter the number of starts increased sharply. In the non-residential sector, all sub-sectors showed reduced activity from 1981 in keeping with the revised investment intentions for 1982. Because of the sharp reduction in construction activity in 1982, employment in the sector decreased substantially, particularly in British Columbia, Quebec and the Prairies.

Utilities

The level of real output in the utility sector was little changed in 1982 following a strong increase in

1981. Conservation measures and lower industrial demand caused by the recession largely offset higher residential consumption which resulted from the Canada oil substitution program for off-oil conversions as well as generally colder average temperatures in western Canada over the first and last three months of the year. Real output in the electric power industry was little changed from the previous year, even though according to preliminary data exports of electric power to the U.S. fell, mainly due to a large reduction in exports from British Columbia. The gas distribution industry, which has a smaller share of utilities output than the electric power industry, increased output primarily due to growth in residential sales. Preliminary data indicate residential sales increased sharply in Ontario and throughout western Canada; expansion of the natural gas delivery network continued in Quebec in 1982, but milder temperatures, particularly toward year-end, dampened residential consumption in the province. Industrial demand for natural gas decreased.

Transportation, Storage and Communication

Real output in this sector decreased in 1982 following relatively slow growth in the previous two years; this decline occurred in the transportation industry as there were moderate increases in storage and communication services. Employment in the sector declined in all the major regions.

As the recession most severely affected production in the forestry, mining and manufacturing industries, railway and truck transportation in particular, as well as water transportation, decreased in 1982. Declines in shipments of most minerals and of manufactured products far outweighed increases in transportation of wheat and other grains. Air transportation also declined, partly because of reduced passenger travel. Even though there were decreases in the second half of the year, bus transportation for the year as a whole increased slightly as there was a recovery from labour disputes that had occurred in mid-1981. Urban transit output grew moderately in 1982 as municipal transport systems were affected by work stoppages in Quebec and Ontario. Pipeline utilization decreased during 1982 due to lower throughput of crude petroleum, even though natural gas transmission increased.

Storage services, which were up sharply in the final quarter of 1981 as a result of increased export shipments of grains, declined in the first quarter of 1982 and increased in most of the following months, reflecting increased activity at grain elevators as other storage and warehousing activity decreased. Communication services grew during 1982, but at a much slower rate than in the previous years, as a result of both a reduction in long distance phone calls and lower demand for postal services after the steep increase in postal rates early in the year.

Trade

Activity in the trade sector declined sharply in 1982, most notably at the wholesale level but also in retailing. Average employment for the year decreased, even though there was increased employment in the sector in Ontario and the Prairies. Wholesale merchants of all types of goods except food and farm products experienced lower output, with the decreases being relatively greater for metal and metal products, machinery and equipment, pulp and paper products, motor vehicles and accessories, hardware and lumber. The increase in wholesale trade of farm products was related to the increased activity of the Canadian Wheat Board as there was a record wheat crop in 1982. Retail trade activity likewise fell in 1982 as consumers postponed purchases of both non-durable and durable goods. Largest declines were experienced by motor vehicle dealers, despite some increased activity during the second quarter when manufacturers had offered rebates, by furniture stores, reflecting depressed construction activity, and by general merchandise and clothing stores.

Finance, Insurance and Real Estate Services

Real output of this sector was virtually unchanged in 1982, while average employment grew modestly even though there were decreases in the Atlantic region and Quebec. Among the components of this sector, the volume of rents increased moderately as housing construction was sharply lower in 1982 and there was a decline in the number of new dwelling units completed. The output of financial institutions decreased, and there was a substantial reduction in the business of security brokers as stock market activity declined and the number of shares traded dropped until late in the year when there was a strong upsurge in stock market activity.

Community, Business and Personal Services

Output in this sector declined in 1982 as lower real disposable incomes and decreased corporate profits contributed to reduced levels of economic activity in such commercially-oriented services as accommodation and food and services to business management. Health and welfare services were less affected by the recession and experienced moderate growth in output. Average employment for the year increased slightly in spite of decreases in Quebec and British Columbia.

Public Administration and Defence

Public administration and defence services increased moderately in every region in 1982, despite budgetary restraints. According to the labour force survey, the decrease in employment in Quebec offset increases in the other regions. Every level of government experienced growth, but local administration services increased the most in 1982, after having grown only slightly in 1981 because of labour disputes.

Regional Developments

Atlantic Region

Real output in the Atlantic region is estimated to have declined in 1982, following moderate growth in the preceding year. The economic recession affected all provinces in the region and most major sectors, particularly the export-sensitive mining and forestry sectors. However, output is estimated to have increased in agriculture, fishing, construction, community, business and personal services, and public administration. Employment decreased and the average unemployment rate increased in 1982.

In the primary sector, according to preliminary data, the volume of fish landed increased. Strong growth occurred in Newfoundland, reflecting mainly a large increase in the volume of cod landed as a result of higher quotas and a more successful trap fishery, and in New Brunswick. In Nova Scotia, however, fishing output was adversely affected by a significant decline in the scallop harvest following heavy exploitation in 1981. Farm cash receipts fell in 1982 due largely to lower receipts for potatoes in Prince Edward Island and New Brunswick because of lower average prices following high production levels in

1981. Potato production in 1982 is estimated to have reached another record in Prince Edward Island. Despite increased coal production in Nova Scotia after a lengthy labour dispute in 1981 and higher zinc output in New Brunswick, mining output in the region fell sharply, mainly because of a particularly large decline in Newfoundland where iron mining, the major part of the province's mining sector, experienced extended layoffs largely due to reduced exports. Forestry production declined significantly as housing starts and the demand for forest-related products fell.

In the secondary sector, both the value of manufacturing shipments and employment in manufacturing declined in 1982. Shipments of the transportation equipment and forest products industries fell particularly sharply. Construction activity increased in 1982, reflecting offshore exploration and government-sponsored capital investments, such as the development of the Cat Arm hydroelectric project in Newfoundland. Residential construction continued to decrease in the region in 1982 as housing starts fell. In the utility sector, net generation of electric power decreased in New Brunswick and Newfoundland as deliveries declined.

Activity in the service sectors declined largely as a result of the decreases in transportation, communication and storage and in trade in response to the cyclical drop in demand. Average annual employment in services fell slightly in 1982 even though employment increased in community, business and personal services, and public administration. Among provinces, service employment increased in Newfoundland and Prince Edward Island.

Labour income in the region increased at above the national average; growth in Prince Edward Island was among the highest in Canada. Total employment fell throughout the region, although the decline was generally less than the national average, while the labour force increased slightly. The average unemployment rate in 1982 rose sharply.

Quebec

Economic activity in Quebec is estimated to have declined sharply in 1982, particularly in the forestry, mining, manufacturing, construction and trade sectors. The residential housing market improved slightly at the end of the year following

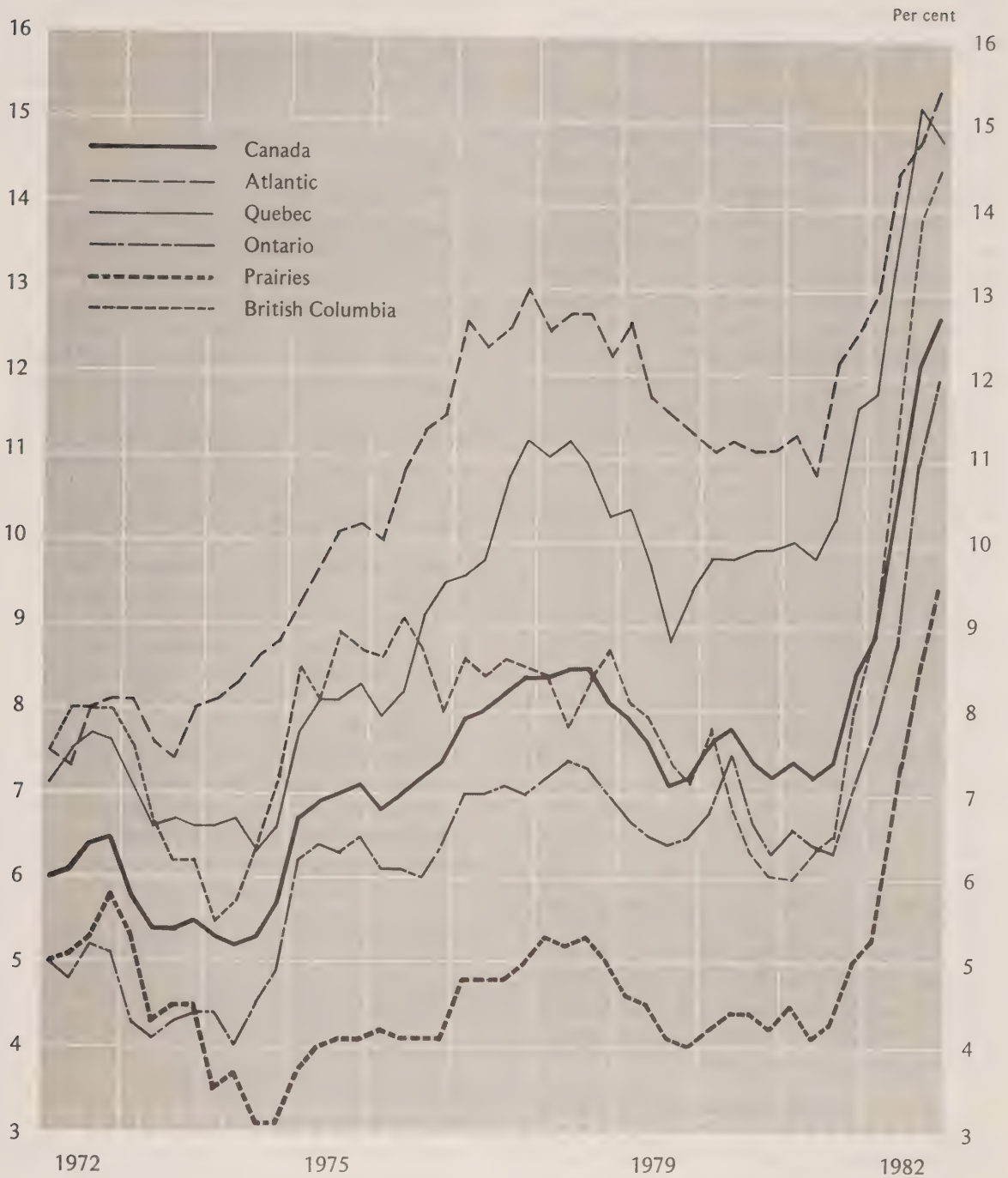
Table 5.1
Main Economic Indicators by Sector

Gross Domestic Product (in constant 1971 prices)			
	Share of total in 1982	1981	1982
	(per cent)	(percentage change)	
Agriculture	2.9	12.1	2.7
Non-agricultural primary industries.....	3.2	- 5.0	- 12.3
Manufacturing	20.2	2.1	- 12.3
Construction	5.9	7.1	- 8.3
Total goods-producing sectors	32.2	2.9	- 10.4
Transportation, storage, communication and utilities	14.5	3.7	- 3.0
Trade	11.8	0.3	- 8.7
Finance, insurance and real estate	13.7	3.9	0.1
Community, business and personal services.....	20.5	4.2	- 0.8
Public administration	7.3	2.0	3.2
Total services sectors	67.8	3.0	- 2.2
Total all industries	100.0	3.0	- 5.0
Employment			
	Share of total in 1982	1981	1982
	(per cent)	(percentage change)	
Agriculture	4.4	1.5	- 3.9
Non-agricultural primary industries.....	2.5	6.0	- 16.8
Manufacturing	18.2	0.7	- 9.1
Construction	5.6	4.2	- 8.5
Total goods-producing sectors	30.7	1.9	- 9.0
Transportation, storage, communication and utilities	8.2	0.3	- 3.1
Trade	17.4	2.4	- 1.9
Finance, insurance and real estate	5.7	- 2.6	1.5
Community, business and personal services.....	30.8	5.2	0.5
Public administration	7.2	2.9	- 0.0
Total services sectors	69.3	3.0	- 0.5
Total all industries	100.0	2.6	- 3.3

Source: Statistics Canada, *Gross Domestic Product by Industry*, monthly, cat. 61-005; and *The Labour Force*, monthly, cat. 71-001.

Chart 5.2

Regional Unemployment Rates



Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001.

marked declines in the second and third quarters. The drop in employment, in both the goods and services sectors, was much greater than the decrease in the labour force, with a resulting sharp increase in the unemployment rate.

In the primary sector, farm cash receipts rose as a consequence of the importance of hog production in the province and the substantial increases in hog prices in 1982. After strong growth in 1981, forest production fell sharply in 1982 in response to the steep decline in pulp and paper sales on domestic and foreign markets. Lumber production continued to fall in 1982 as the North American housing market was depressed. Asbestos production decreased substantially in 1982 because of a large decline in exports to the United States. Iron and copper production posted a net decrease from 1981 because of the reduced level of economic activity.

In the secondary sector, the value of manufacturing shipments was much lower in 1982 than in 1981. The decrease was felt in most industries and was especially marked in the transportation equipment, primary metal, wood and "soft" industries — textiles, clothing, footwear and furniture. Construction fell sharply in 1982.

The housing starts declined despite large increases at the beginning of the year, caused by the termination of the MURB program, and at the end of the year in response to federal and provincial incentive programs. Non-residential investment also decreased, except in the public utilities sector which included the extension of the Quebec section of the Trans-Quebec & Maritimes gas pipeline. In utilities, net electric power generation fell because of the general slowdown of economic activity as well as mild temperatures late in the year. The drop in natural gas consumption in Quebec in 1982 was largely due to the decrease in industrial demand.

In services, trade was especially affected by the decline in economic activity. The value of retail sales rose slightly in 1982 but much less than consumer prices, indicating a substantial decrease in the volume of sales. All the service sectors are estimated to have been affected by the recession, although the finance, insurance and real estate sector was affected the least.

Labour income in Quebec grew much more slowly than in the rest of the country. Employ-

ment, which fell relatively more in Quebec than in the country as a whole in 1982, posted five consecutive quarterly drops, on a seasonally adjusted basis, following the second quarter of 1981. The labour force did not decline as much as employment so that the unemployment rate rose sharply in 1982, peaking in the third quarter.

Ontario

Following moderate economic growth in the preceding year, economic activity in 1982 is estimated to have declined in Ontario as the recession affected most sectors of the economy. Mining, forestry and manufacturing production were the most curtailed, followed by trade and construction activity. Numerous layoffs and plant shutdowns occurred. Average employment for the year decreased almost to its 1980 level, the labour force continued to grow and the unemployment rate rose through the year. Employment declined particularly sharply in the goods-producing industries and rose slightly in services.

In the primary sector, the winter wheat and tobacco crops were considerably smaller than in 1981 as a result of unfavourable weather. Farm cash receipts declined moderately as reduced receipts for crops, reflecting both smaller volumes and lower prices, were not fully offset by increased receipts for livestock and products. In mining, nickel, copper and iron ore production fell sharply in response to depressed market conditions and there were layoffs and long closures in the industry. Forestry production was also substantially lower because of reduced export demand for pulp and paper products and lumber.

In the secondary sector, the value of manufacturing shipments declined during 1982, although not as sharply as at the national level, as the value of shipments in the transportation equipment industries increased at a strong rate, reflecting in part higher exports of automobiles to the U.S. However, large declines occurred in the value of shipments by the wood, furniture and fixture, textiles, machinery, primary metal and metal fabricating industries. In construction, the number of housing starts decreased in 1982, despite very strong increases in the first and last quarters due to the termination of the MURB program at the start of the year and the introduction of federal and provincial incentive programs late in the year. Non-residential construction also decreased significantly as indicated by the drop in the value of

building permits. In utilities, electric power generation was little changed as industrial activity was much lower, but there was further off-oil substitution in the residential sector. Total sales volumes of natural gas fell in the province largely due to lower industrial demand.

Services on the whole decreased as transportation and particularly trade activity declined. The total value of retail sales in the province increased at a slow rate, whereas consumer prices rose more strongly, indicating large declines in the volume of sales, particularly by motor vehicle dealers and household furniture and appliance stores. Employment rose slightly in all the service sectors, except transportation, communication, storage and utilities, in 1982.

Labour income in 1982 grew more rapidly than at the national level. Total employment decreased, although at a pace less than in Canada as a whole, while the labour force continued to increase at a slow rate. The unemployment rate consequently increased sharply. The increases in unemployment were particularly large during the latter part of the year when manufacturing and construction employment declined the most.

The Prairie Region

Real output in the region in 1982 is estimated to have declined but at a slower pace than the national average, since the impact of the recession on the region was partly offset by record or near-record grain crops in Saskatchewan and Manitoba. All three provinces are estimated to have experienced lower output, and most major sectors suffered from the recession. Unemployment rates rose sharply in all the provinces, although Saskatchewan was the only province in the country to have had an increase in average employment in 1982. Employment decreased in the goods-producing industries in all provinces.

In the primary sector, farm cash receipts decreased in Alberta and Saskatchewan mainly as a result of lower grain prices. Seeded acres for all major field crops, except barley, were higher in 1982 and this, together with above-average growing conditions, resulted in record or near-record grain production. Most of the increases were in Manitoba and Saskatchewan, while decreases are estimated to have occurred in the production of corn in Manitoba, canola in

Saskatchewan and rye, corn, barley and wheat in Alberta. Mining output was adversely affected by cutbacks in oil production in Alberta, reduced potash production and layoffs at the Potash Corporation of Saskatchewan and a decline in the demand for nickel and copper.

In the secondary sector, the value of manufacturing shipments in the region declined, with the rates of decrease in Saskatchewan and Alberta exceeding the national average. The decreases in the manufacturing sector were widespread. Only petroleum and coal products shipments showed any significant increase but only because of price increases. Housing starts increased in Saskatchewan — one of the two provinces in the country to experience an increase — and decreased in Manitoba and Alberta, resulting in an overall decline in starts in the region. The volume of non-residential construction in the region, particularly industrial and commercial, is estimated to have been lower in 1982 than in 1981 as a number of projects were curtailed or postponed and lengthy labour disputes occurred in the construction industry. Output in the utilities sector rose strongly mainly because of increased consumption due to colder average temperatures.

In the services sector, decreased activity in trade and in transportation, storage and communication more than offset increases in the other services. Employment in all major service sectors, except transportation, communication, storage and utilities, rose in the region in 1982.

Labour income in the region grew at a much slower pace in 1982 than in 1981 but still at the fastest rate in the country. Employment decreased, reflecting the drop in the goods-producing sectors, while the labour force increased relatively strongly, particularly in Alberta. The average annual rate of unemployment increased sharply in all the Prairie provinces, and especially in Alberta.

British Columbia

Real economic activity in British Columbia in 1982 is estimated to have decreased sharply, following relatively weak growth in the preceding year, as export demand for wood, pulp and paper and mining products declined. Construction and trade activity also fell significantly. Employment, particularly in all the goods-producing industries except agriculture, declined at one

Table 5.2
Main Economic Indicators by Region

Labour Market

	Employment		Labour force		Unemployment rate	
	1981	1982	1981	1982	1981	1982
	(percentage change)				(per cent)	
Atlantic region	1.2	- 2.8	1.7	0.3	11.6	14.4
Quebec	0.7	- 5.4	1.3	- 1.6	10.4	13.8
Ontario	2.9	- 2.6	2.6	0.8	6.6	9.8
Prairie region	3.9	- 0.9	4.1	2.2	4.5	7.4
British Columbia	4.7	- 5.1	4.7	0.7	6.7	12.1
Canada	2.6	- 3.3	2.7	0.4	7.6	11.0

New Capital Expenditures (Current dollars)

	Total			Residential			Other		
	1971- 1980 ⁽¹⁾	1981	1982	1971- 1980 ⁽¹⁾	1981	1982	1971- 1980 ⁽¹⁾	1981	1982
	(percentage change)								
Atlantic region	14.8	13.6	12.4	9.9	- 2.6	- 20.4	16.1	16.8	17.8
Quebec	18.2	7.2	- 5.4	10.0	16.5	- 25.3	20.8	5.4	- 1.3
Ontario	17.0	19.1	- 4.3	7.5	19.2	- 19.2	20.3	19.1	- 1.4
Prairie region	25.8	26.7	- 7.3	18.7	8.6	- 21.2	27.7	30.0	- 5.3
British Columbia ⁽²⁾	19.7	29.0	- 11.6	15.7	43.3	- 35.4	21.0	25.2	- 4.4
Canada	19.5	20.3	- 5.7	11.8	19.3	- 24.7	22.0	20.5	- 1.9

Other Indicators

	Farm cash receipts		Wages and salaries		Retail sales	
	1981	1982	1981	1982	1981	1982
	(percentage change)					
Atlantic region	23.9	- 4.9	11.6	6.8	9.3	6.5
Quebec	20.4	4.5	12.0	3.5	8.5	3.6
Ontario	12.4	- 2.1	13.7	6.6	13.7	5.3
Prairie region	20.6	- 1.9	17.7	9.5	14.6	2.1
British Columbia	15.2	4.2	12.8	3.7	13.5	- 3.4
Canada	18.2	- 0.9	13.7	6.0	12.2	3.2

⁽¹⁾ Average annual compound increase.

⁽²⁾ Includes Yukon and Northwest Territories.

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001; Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*, annual, cat. 61-206; Statistics Canada, *Farm Cash Receipts*, monthly, cat. 21-001; *Estimates of Labour Income*, monthly, cat. 72-005; and *Retail Trade*, monthly, cat. 63-005.

of the fastest rates in the country, while the labour force continued to rise, and as a result the unemployment rate rose to very high levels in the last three quarters of the year.

In the primary sector, forestry output continued to decline rapidly, although at a slower rate than in 1981 as there was recovery from long labour disputes in that year. Lumber production decreased again in 1982 as housing starts in the U.S. were at very low levels. Pulpwood production also declined during 1982 as pulp and newsprint markets deteriorated as the recession deepened. Numerous layoffs, reduced shifts and shutdowns occurred in the industry during the year as in 1981. In mining, copper and molybdenum production decreased in 1982 and there were long closures and layoffs at the major mines in the province. Gas production also decreased, but the output of coal continued to rise, although at a slower rate than in the previous year. In fishing, preliminary data indicate a decline in total landings, particularly of pink salmon, although there were increased catches of other more valuable species of salmon. Farm cash receipts increased during the year, reflecting increased receipts from livestock and products and also much higher payments under the province's income stabilization program.

In the secondary sector, the value of manufacturing shipments of most industries dropped from

1981 levels. There was also a decline for the wood and paper and allied industries in spite of some recovery from labour disputes in 1981 and increased exports of lumber late in the year. In construction, the total number of housing starts fell in 1982 from the high level of the previous year; non-residential construction also dropped, as indicated by the value of building permits, as various projects were postponed or abandoned. In utilities, electric power generation declined, reflecting lower exports, but gas distribution particularly to residential consumers increased.

Within the services sector, the value of retail sales, especially of motor vehicles, household furniture and appliances and general merchandise, declined in 1982. Transportation also dropped because of the reduced goods production. Increased employment in finance, insurance and real estate and public administration was more than offset by decreases in the other services sectors.

Labour income in the province increased at a slower rate than in 1981 and at much less than the national pace. Employment fell sharply, while the labour force continued to rise, but at a slower rate than in 1981, leading to a large increase in the unemployment rate.

6. Balance of Payments

The current account of Canada's balance of payments improved to a \$2.7 billion surplus in 1982, the first surplus since 1973. Underlying this change was a large increase in the surplus on merchandise trade, which more than doubled from 1981 to \$17.7 billion. The strength of the trade balance was in turn related to a sharp reduction in imports. Canada's exports held up well under circumstances of weak economic activity internationally.

The long-term capital account posted a record inflow of \$8.6 billion, as a large volume of Canadian long-term securities was issued abroad and as takeover-related outflows on direct investment account were down sharply. At \$11.2 billion, the surplus on basic balance – the sum of the current and long-term capital accounts – was a record. Following a large inflow in 1981, transactions in short-term financial instruments led to a sizeable outflow. Foreign exchange markets were marked by volatile rate movements in 1982.

On balance the Canadian dollar declined against the U.S. dollar but rose against all other major currencies.

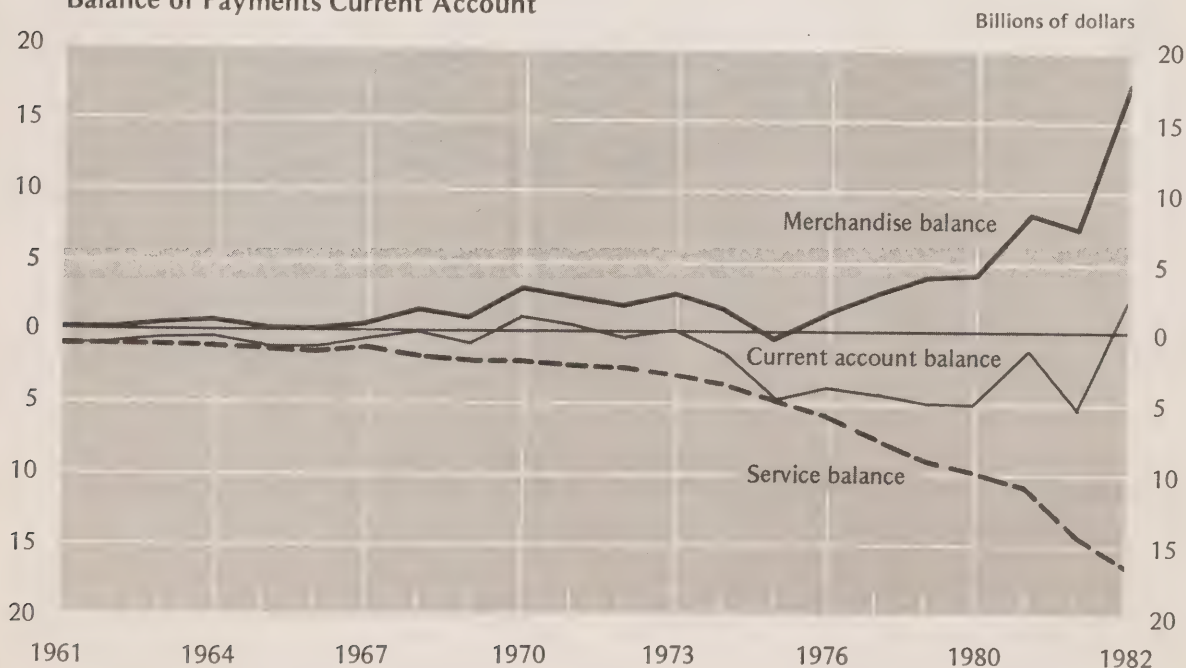
Current Account

After posting a small surplus in 1973, the current account balance moved to a deficit that generally fluctuated around \$4 billion to \$5 billion until 1981 (Chart 6.1). Rapid growth occurred in the services deficit, mainly in interest and dividend payments, reflecting increased international indebtedness and more recently high interest rates, and increased dividend payouts. Larger payments on travel abroad also contributed to the increased services deficit. The merchandise trade balance generally improved over this period to offset the growing services deficit.

The current account balance improved substantially in 1982 to post a surplus of \$2.7 billion compared to a deficit of \$5.3 billion in 1981

Chart 6.1

Balance of Payments Current Account



Source: Statistics Canada, *Quarterly Estimates of International Payments*, quarterly, cat. 67-001.

(Table 6.1). This turnaround occurred as the merchandise trade surplus improved by \$10.3 billion which was only partially offset by a \$2.2 billion rise in the services deficit.

Merchandise Trade

Canada's merchandise trade surplus increased to \$17.7 billion in 1982, from \$7.4 billion in 1981 and the previous record of \$8.5 billion in 1980. The improvement reflected a \$10.2 billion decrease in imports. This improvement in the merchandise trade surplus occurred despite a 1.4-per-cent decline in the terms of trade.

The value of imports fell 13.2 per cent, with declines in every major category except miscellaneous imports (Table 6.2). Large declines occurred in imports of machinery and equipment, industrial materials and crude petroleum, accounting for \$9.1 billion of the \$10.2 billion total decline in imports. Despite the weakness of

world economic activity, the value of total exports of goods increased slightly (Table 6.3). Declines in exports of such resource-related goods as metals and minerals, pulp, paper and board, lumber and plywood, and other fabricated materials were largely offset by a 25.9-per-cent increase in exports of autos and parts and a significant increase in export volumes of wheat and flour. The depreciation of the Canadian dollar relative to the U.S. dollar also helped to increase the value of exports to the U.S. Canada improved its trade position in 1982 with the U.S., Japan and Canada's non-OECD trading partners. The trade surplus with European countries declined (Table 6.4), probably because of the substantial appreciation of the Canadian dollar relative to European currencies over the last two years. The surplus with the U.S. increased \$7.5 billion to \$11.1 billion in 1982.

Canada's merchandise trade balances by commodity group have typically shown substantial

Table 6.1

Summary of the Current Account of Canada's Balance of International Payments

	1976	1977	1978	1979	1980	1981	1982
	(billions of dollars)						
Merchandise exports	38.0	44.3	53.1	65.3	76.8	84.2	84.5
Merchandise imports	36.6	41.5	49.0	61.2	68.3	76.9	66.7
Balance of trade							
Nominal	1.4	2.7	4.0	4.1	8.5	7.4	17.7
Real (1971 dollars)	- 1.7	- 0.1	1.4	- 0.5	0.9	1.3	5.0
Service receipts	7.6	8.3	9.9	11.9	14.2	15.2	15.9
Service payments	13.4	15.7	18.9	21.6	25.0	29.5	32.4
Balance on services	- 5.8	- 7.4	- 9.0	- 9.7	- 10.8	- 14.3	- 16.5
Total receipts	45.6	52.5	63.0	77.2	90.9	99.5	100.4
Total payments	50.0	57.3	68.0	82.8	93.3	106.4	99.1
Balance on goods and services	- 4.4	- 4.7	- 5.0	- 5.6	- 2.3	- 6.9	1.2
Net transfers	0.5	0.4	0.0	0.7	1.2	1.6	1.4
Balance on current account	- 3.8	- 4.3	- 4.9	- 5.0	- 1.1	- 5.3	2.7

Note: Balances may not be the sum of the detail due to rounding.

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001.

Table 6.2

Canada's Merchandise Imports⁽¹⁾
(Balance of payments basis)

	1976	1977	1978	1979	1980	1981	1982
(billions of dollars)							
Food.....	2.5	2.9	3.2	3.7	4.1	4.5	4.2
Crude petroleum.....	3.3	3.2	3.5	4.5	6.9	7.9	4.9
Construction material	0.9	1.0	1.1	1.4	1.3	1.7	1.2
Industrial material.....	7.7	8.7	10.8	15.0	17.0	18.6	15.7
Auto and related products	9.3	11.3	13.1	15.0	13.3	15.8	14.7
Machinery and equipment	7.6	8.6	10.7	14.1	16.8	19.5	16.3
Other consumer goods							
United States	2.1	2.3	2.7	3.1	3.4	3.8	3.5
Rest of the world	2.4	2.7	3.0	3.4	3.6	4.3	4.2
Miscellaneous	0.7	0.8	1.0	1.2	1.8	0.8	1.9
Total.....	36.6	41.5	49.0	61.2	68.3	76.9	66.7
(percentage change)							
Food.....	6.4	17.1	11.8	12.5	13.2	9.2	- 6.1
Crude petroleum.....	- 1.2	- 1.0	7.6	29.0	55.2	14.0	- 37.4
Construction material	13.8	5.7	11.2	23.0	- 4.7	29.3	- 26.6
Industrial material.....	6.9	12.9	23.1	38.9	13.7	9.6	- 16.0
Auto and related products	14.1	21.7	15.5	14.5	- 11.3	19.1	- 7.1
Machinery and equipment	- 1.1	12.3	25.2	31.2	19.0	16.4	- 16.4
Other consumer goods							
United States	16.9	7.8	15.4	15.5	11.3	10.0	- 6.6
Rest of the world	28.5	11.0	13.6	12.4	7.4	17.9	- 2.0
Miscellaneous	2.8	12.2	21.1	23.8	51.2	- 58.3	155.7
Total.....	7.8	13.4	18.1	24.7	11.7	12.6	- 13.2

Note: Details may not add due to rounding.

⁽¹⁾ Trade data on a balance of payments basis are basically those obtained from customs documents adjusted to represent more accurately all economic transactions between residents and non-residents with financial implications for the balance of payments. Customs data include only the physical movement of goods as reflected in the customs reports. Adjustments for timing, coverage and valuation are made to convert these data to a balance of payments basis. The balance of payments adjustments reported by Statistics Canada were allocated to these commodity groupings by the Department of Finance.

Source: Bank of Canada, *Review*, monthly; Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001; and Department of Finance.

and growing surpluses in fabricated materials and food products and a large and increasing deficit in manufactured end products, while the crude materials surplus declined in 1980 and 1981. However, some of these trends were recently reversed. The balance of trade improved in 1982 in all major commodity groups with the greatest improvement occurring in trade in end products (Table 6.4). The improvement in the trade surplus

on crude materials in 1982 was more than accounted for by the substantial decline in imports of crude petroleum. This was a result of several factors: large increases in domestic oil prices which reduced domestic demand for oil, the termination of oil production cutbacks imposed by the Government of Alberta, weak economic activity in Canada, and a decline in oil import prices which reduced import values. The

Table 6.3
Canada's Merchandise Exports⁽¹⁾
(Balance of payments basis)

	1976	1977	1978	1979	1980	1981	1982
(billions of dollars)							
Wheat and wheat flour	1.9	2.1	2.0	2.3	3.9	4.0	4.3
Other agricultural products	3.0	3.4	4.2	5.4	5.5	6.8	7.1
Crude petroleum	2.2	1.7	1.6	2.5	2.9	2.5	2.7
Natural gas.....	1.6	2.1	2.2	3.0	4.0	4.4	4.8
Lumber and plywood	1.8	2.5	3.4	4.1	3.6	3.2	3.1
Pulp, paper and board	4.7	5.1	5.7	7.3	8.9	9.3	8.4
Metals and minerals	6.8	7.7	8.7	10.6	14.6	14.5	12.6
Other fabricated materials ..	2.9	3.9	5.4	7.7	9.1	10.5	9.8
Auto and related products..	8.3	10.4	12.5	11.8	10.9	13.1	16.5
Machinery and equipment ..	2.8	3.0	4.0	5.3	6.5	7.7	7.5
Other manufactured goods	1.7	1.8	2.3	3.4	4.4	4.6	4.7
Miscellaneous	0.4	0.5	0.9	1.8	2.4	3.6	3.0
Total	38.0	44.3	53.1	65.3	76.8	84.2	84.5
(percentage change)							
Wheat and wheat flour	- 12.6	11.4	- 1.2	12.7	69.1	1.5	8.7
Other agricultural products	17.3	13.5	22.8	29.3	2.2	23.9	3.8
Crude petroleum	- 28.0	- 19.3	- 9.5	60.7	12.4	- 12.8	10.4
Natural gas.....	41.1	27.1	6.2	35.9	33.7	9.7	9.0
Lumber and plywood	67.6	44.1	35.5	19.7	- 12.6	- 11.2	- 2.3
Pulp, paper and board	18.1	9.7	11.6	27.2	22.8	4.0	- 9.6
Metals and minerals	18.6	14.1	12.8	21.6	37.6	- 0.5	- 13.1
Other fabricated materials ..	18.2	32.6	38.7	42.7	18.6	15.3	- 7.3
Auto and related products..	27.9	25.9	20.4	- 5.4	- 8.0	20.2	25.9
Machinery and equipment ..	6.9	7.3	30.8	34.2	21.8	17.7	- 2.4
Other manufactured goods	19.1	6.7	32.7	44.2	30.4	4.8	1.5
Miscellaneous	- 53.2	3.1	99.1	91.1	36.7	50.1	- 17.5
Total	13.4	16.5	19.9	23.0	17.6	9.7	0.3

Note: Details may not add due to rounding.

⁽¹⁾ See footnote to table 6.2.

Source: Bank of Canada, *Review*, monthly; Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001; and Department of Finance.

surplus in fabricated materials increased only marginally in 1982. The decline in industrial production in the major OECD countries resulted in the first decline in exports of fabricated materials in more than a decade, with particularly large declines in iron and steel and non-ferrous exports. However, the large decline in industrial production in Canada significantly reduced Canadian fabricated imports to more than offset the export decline.

The \$8.3 billion improvement in the balance of trade in manufactured end products in 1982 was a major change from the previous six years, which saw the deficit in end products increase from \$10.1 billion in 1976 to \$20.9 billion in 1981 (Table 6.5). While the trade balance in non-automotive products generally improved, the largest improvement occurred in trade in automotive products, where the balance moved from a deficit of \$2.9 billion in 1981 to a surplus of

Table 6.4

Trade Balance by Commodity Group and Country Group

	1976	1977	1978	1979	1980	1981	1982
(billions of dollars)							
By country							
United States	0.5	1.5	2.6	0.3	1.3	3.5	11.1
United Kingdom	0.8	0.6	0.4	0.6	1.3	1.0	0.8
Other EEC	0.6	0.3	- 0.2	0.8	2.7	1.4	1.0
Japan	0.8	0.7	0.5	1.8	1.5	0.4	1.0
Other OECD	- 0.1	0.0	- 0.2	0.0	0.5	0.4	0.0
Other	- 1.2	- 0.3	0.8	0.6	1.2	0.6	3.9
Total, balance of payments basis	1.4	2.7	4.0	4.1	8.5	7.4	17.7
By commodity group							
Food and related products	1.4	1.3	1.5	2.1	3.5	4.2	5.3
Crude material and related products	3.2	3.5	2.9	4.6	3.4	3.0	6.1
Fabricated materials	6.0	7.9	10.4	12.4	16.6	16.0	16.1
Autos and related products	- 1.2	- 1.2	- 0.8	- 3.3	- 2.7	- 2.9	1.5
Other end products	- 8.9	- 9.9	- 11.6	- 13.9	- 15.1	- 17.9	- 14.1
Re-exports and special transactions	0.5	0.5	0.6	0.9	1.2	2.2	1.9
Total, customs basis	1.0	2.2	3.1	2.8	6.9	4.5	16.8

Note: Details may not add due to rounding.

Source: Statistics Canada, *Summary of External Trade*, monthly, cat. 65-001, and *Quarterly Estimates of the Canadian Balance of International Payments*, quarterly, cat. 67-001.

\$1.5 billion, the first surplus since 1971. This was caused by the substantial increase in exports of large and mid-sized automobiles to the U.S. and significant reductions in automobile imports, reflecting the decline in Canadian demand. High interest rates, rapidly increasing gasoline prices and declining real consumer income all contributed to the decline in Canadian automobile demand. However, part of the improvement in the trade balance on finished automobiles was offset by increases in imports of motor vehicle engines and parts for use in the increased production of automobiles for export to the U.S.

Canada's merchandise terms of trade have been influenced importantly by wide fluctuations in

international prices for raw materials and semi-processed goods over the past four years. The terms of trade improved in 1979 and 1980 with a surge in resource prices but fell in 1981 and 1982 as resource prices tumbled while prices of manufactured goods continued to increase with the growth of labour costs. As a result, the terms of trade declined by 3.8 per cent in 1981 and 1.3 per cent in 1982.

International Competitiveness

Canada's international cost competitiveness in manufactured goods, measured in U.S. dollars, declined substantially in the last two years (Table 6.6 and Chart 6.2). However, even with the

recent declines, the level of Canada's competitiveness index in 1982 was only slightly below its average for the 1960 to 1982 period, and was significantly higher than during the 1974 to 1976 period.

Canada's competitive position is affected both by changes in domestic currency costs of producing goods in Canada relative to other countries and by fluctuations in exchange rates. The declines in the domestic currency competitiveness index in 1981 and 1982, as shown in Table 6.6, reflected Canadian unit labour costs that were rising faster than in countries with which Canada trades. This happened because average hourly earnings in Canada increased relatively more and trend productivity relatively less. Some depreciation of the Canadian dollar relative to the average of the currencies of its major trading partners (weighted to reflect trade in manufacturing goods) served to offset partially this loss in competitiveness in 1982.

Services

Canada has traditionally recorded a deficit in service transactions. This deficit, which has been growing steadily throughout the last decade, reached \$16.5 billion in 1982 (Table 6.7). The 1982 increase in the deficit was mainly the result of a \$2.8 billion increase in interest payments on Canadian bond and debenture debt with the rest of the world. However, the increase in the deficit was significantly less than in 1981 as the weakness of the Canadian economy slowed the increase in dividend, miscellaneous income, travel, and freight and shipping payments.

Interest and Dividends

The growth of Canadian interest payments to non-residents has been a primary source of increase in the services deficit since 1974. Interest payments increased at an annual rate of 25.0 per cent, from \$1.0 billion in 1974 to

Table 6.5
Trade Balance in Manufactured End Products
(Customs basis)

	1976	1977	1978	1979	1980	1981	1982
	(billions of dollars)						
General purpose							
machinery	- 0.5	- 0.5	- 0.6	- 0.7	- 0.8	- 0.9	- 0.7
Special industry machinery	- 1.8	- 1.8	- 2.1	- 3.0	- 3.8	- 3.6	- 2.5
Agricultural machinery and							
tractors	- 0.8	- 0.8	- 0.9	- 1.3	- 1.2	- 1.5	- 1.0
Motor-vehicle-related							
products	- 1.2	- 1.2	- 0.8	- 3.3	- 2.7	- 2.9	1.5
Other transportation							
equipment	0.0	- 0.2	- 0.3	- 0.4	- 0.4	- 0.8	0.6
Telecommunications and							
related equipment	- 0.7	- 0.8	- 0.9	- 1.2	- 1.2	- 1.4	- 1.2
Office machinery and							
equipment	- 0.4	- 0.5	- 0.6	- 0.7	- 1.2	- 1.7	- 1.9
Other equipment and tools	- 1.8	- 2.0	- 2.4	- 2.6	- 2.7	- 3.2	- 2.7
Consumer goods	- 2.9	- 3.3	- 3.7	- 4.0	- 3.9	- 4.8	- 4.7
Total	- 10.1	- 11.1	- 12.4	- 17.1	- 17.8	- 20.9	- 12.6

Note: Details may not add due to rounding.

Source: Statistics Canada, *Summary of External Trade*, monthly, cat. 65-001.

Table 6.6

Changes in Canada's International Competitiveness in Manufacturing

Period	Domestic currencies	U.S. dollar terms	Period	Domestic currencies	U.S. dollar terms
	(percentage change)			(percentage change)	
1961.....	0.2	4.7	1972.....	- 0.9	- 1.7
1962.....	0.2	5.4	1973.....	- 0.5	2.2
1963.....	- 0.7	0.2	1974.....	- 3.1	- 5.7
1964.....	- 0.6	- 0.6	1975.....	- 3.8	0.1
1965.....	- 3.1	- 3.1	1976.....	- 4.1	- 8.6
1966.....	- 1.5	- 1.6	1977.....	- 2.2	6.4
1967.....	- 1.6	- 1.6	1978.....	1.6	11.9
1968.....	- 1.0	- 1.7	1979.....	0.4	3.2
1969.....	- 0.4	- 0.5	1980.....	0.2	0.2
1970.....	0.9	- 2.2	1981.....	- 2.9	- 3.7
1971.....	- 0.1	- 2.9	1982.....	- 4.2	- 3.9
Total cumulative change between 1961 and 1971	- 7.7	- 8.3	Total cumulative change between 1972 and 1982	- 17.2	0.6

Note: The competitiveness index is measured as the trade-weighted average of manufacturing unit labour costs of 10 major OECD countries relative to Canadian manufacturing unit labour costs. In domestic currency terms the index reflects relative changes in domestic currency costs, while in U.S. terms the index also reflects fluctuations in exchange rates. A negative change indicates a loss of competitiveness, and vice versa. For details on calculating the competitiveness index for the Canadian manufacturing industry, contact the Macro-Analysis Section of the Economic Analysis Division, Department of Finance.

Source: Department of Finance.

\$4.9 billion in 1981, compared to interest receipts which increased from \$0.3 billion in 1974 to only \$0.4 billion in 1981. In 1982, interest payments rose sharply by \$2.8 billion or 57.5 per cent to reach \$7.7 billion while interest receipts fell 15.9 per cent to \$0.3 billion. This brought net interest payments as recorded under "interest and dividends" to \$7.4 billion, accounting for 45 per cent of the total services deficit in 1982. This increase in net interest payments can be attributed to three major factors: a one-third increase in bond indebtedness to the rest of the world because of particularly heavy provincial and corporate borrowing in late 1981 and 1982; large increases in average interest rates payable on debt; and the decline in the value of the Canadian dollar relative to the U.S. dollar which increased the Canadian dollar value of interest payment on bonds denominated in U.S. dollars.

The deficit on dividends remained unchanged in 1982 after worsening for a decade. The rise in

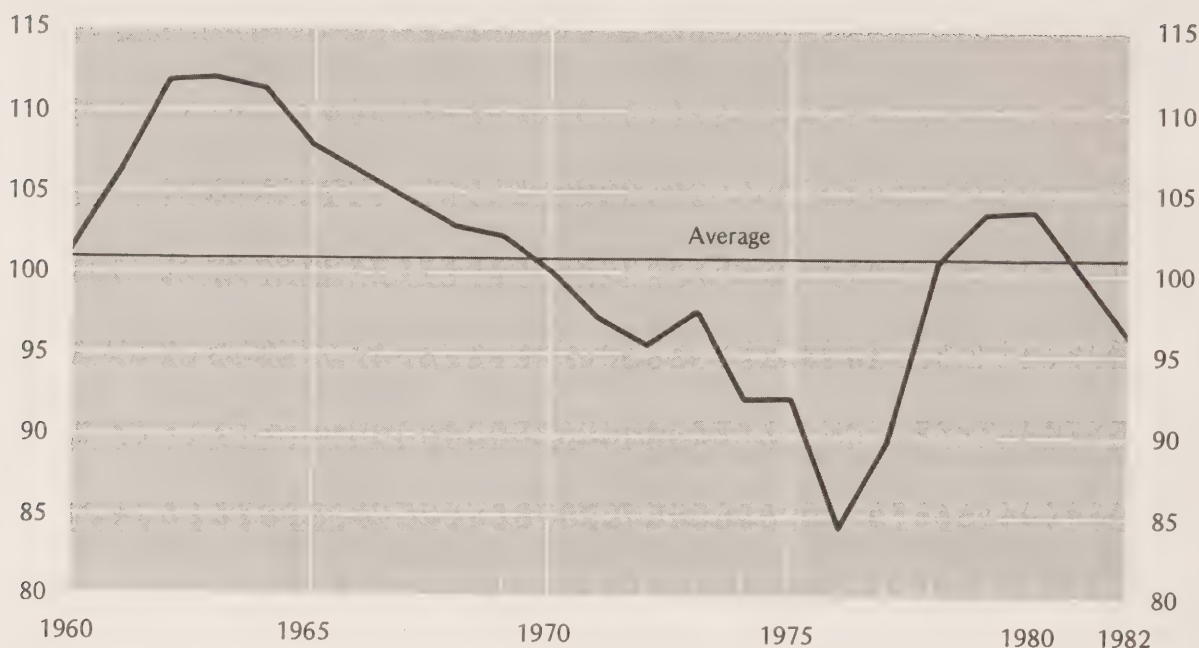
the deficit over the past decade was related largely to the increase in dividend payments in line with the upward movement in bond yields. In 1982, however, the recession led companies to pay substantially smaller dividends. The decline in Canadian dividend payments was offset by an equivalent decline in dividend receipts.

Other Services

The other-services category in the balance of payments includes miscellaneous income, government transactions and business services and other transactions. In the past few years the deficit on miscellaneous income has increased significantly, from \$249 million in 1975 to \$3.8 billion in 1981, almost entirely due to a rise in net interest payments on short-term and miscellaneous long-term bank and inter-company loans. Because of a 56.9-per-cent increase in miscellaneous income receipts in 1982, the deficit in this category declined to \$3.2 billion in 1982, the first decline

Chart 6.2

Canada's Competitiveness in the Manufacturing Sector (Competitiveness Index 1970 = 100)



(1) Weighted average of unit labour costs of competing countries relative to unit labour costs in Canada, the unit labour costs being expressed in U.S. dollars.

Source: Department of Finance.

Table 6.7
Services Balance

	1976	1977	1978	1979	1980	1981	1982
	(billions of dollars)						
Freight and shipping	- 0.1	0.0	0.1	0.3	0.5	0.5	0.9
Travel	- 1.2	- 1.6	- 1.7	- 1.1	- 1.2	- 1.1	- 1.3
Interest	- 1.6	- 2.5	- 3.2	- 3.7	- 3.9	- 4.5	- 7.4
Dividends	- 0.9	- 1.2	- 1.5	- 1.6	- 1.4	- 1.9	- 1.9
Other services	- 1.4	- 1.6	- 2.1	- 3.0	- 3.8	- 6.0	- 5.6
Miscellaneous income	- 0.3	- 0.4	- 0.7	- 1.3	- 1.6	- 3.8	- 3.2
Government business and other	- 1.1	- 1.2	- 1.5	- 1.7	- 2.2	- 2.2	- 2.5
Withholding tax	- 0.5	- 0.5	- 0.6	- 0.8	- 1.0	- 1.1	- 1.2
Total	- 5.8	- 7.4	- 9.0	- 9.7	- 10.8	- 14.3	- 16.5

Note: Details may not add due to rounding.

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001.

since 1975. One contributing factor was the change in the Bank Act in February 1981, imposing reserve requirements on foreign currency deposits booked in Canada by Canadians. This led to a substantial increase in foreign currency deposits held by Canadians abroad and a corresponding increase in interest earnings on these deposits. The decline in the miscellaneous income deficit was partially offset by an increase in the business and other services deficit, which includes business, personal and professional services provided to Canadians by non-residents.

Travel

Canada's deficit on travel increased in 1982 to \$1.3 billion from \$1.1 billion in 1981. Travel payments to foreign countries increased 2.7 per cent, despite downward pressure on real incomes. On the other hand, total travel receipts from other countries fell 1.0 per cent, the first decline in more than a decade, stemming from the weakness of economic activity in the U.S. and Europe. There was also a substantial decline in one-day visitors from the U.S. because of a narrowing of the difference in Canadian and U.S. gasoline prices. While there was a small reduction in the total number of Canadians travelling abroad, there was an increase in Canadians travelling to countries other than the U.S. The strengthening of the Canadian dollar relative to European currencies and deep discounting of air fares appear to have attracted Canadians to countries other than the U.S.

Capital Account, Exchange Rate and Official International Reserves

Takeover activity, which heavily influenced financial transactions between Canadians and residents of other countries in 1981, fell off sharply in 1982. Other major characteristics of the capital account in 1982 included record long-term capital inflows from new issues of Canadian securities abroad and a swing in the net short-term capital account from a large inflow to a sizeable outflow. Against the U.S. dollar, the Canadian dollar traded at a lower average value in 1982 than in 1981, but strengthened against most other major currencies. At year end, Canada's official international reserves stood at U.S. \$3.8 billion, down U.S. \$578 million over the year.

The net inflow of long-term capital amounted to \$8.6 billion, up from \$0.6 billion recorded in 1981 as indicated in Table 6.8. Two major factors accounted for this increase. Inflows associated with new issues of Canadian securities abroad reached a record high of \$16.0 billion, as Canadian borrowers relied heavily on bond markets to raise funds in 1982. A high proportion of the foreign borrowing was done in the Euro-bond market, attracted by lower long-term interest rates abroad. The direct investment account showed considerable change with a net outflow of \$1.2 billion being recorded, down from \$10.5 billion the previous year. This reduction was primarily related to the decline in acquisitions by Canadians of foreign-owned corporations in Canada and abroad. Although takeovers continued to take place in 1982, their scale and scope were substantially smaller.

Financial transactions in short-term instruments by Canadians with non-residents produced an outflow of \$9.4 billion, a large swing from the \$15.1 billion inflow recorded in 1981. Financial flows through the banking system dominated this movement: a significant portion of the large amount of takeover activity in 1981 was financed through the Canadian banks raising funds abroad; in 1982, however, the banks reduced their net foreign currency debt to non-residents. The "net errors and omissions" or balancing item in the accounts, which is thought to reflect primarily unrecorded financial transactions, was equivalent to a capital outflow of \$2.5 billion, \$6.6 billion lower than the corresponding 1981 figure.

The Canadian dollar traded in a broad range against most major currencies in 1982. In terms of its U.S. counterpart, the dollar weakened sharply over the first half of the year, touching a record low of U.S. \$0.7680, but recovered somewhat over the second half and finished the year at U.S. \$0.8138, down 3.5 per cent from the end of 1981. In contrast to its performance against the U.S. dollar, the Canadian dollar appreciated against all other Group-of-Ten currencies in 1982, rising 7.9 per cent over the course of the year in terms of a trade-weighted average of these currencies.

Official operations in the foreign exchange market continued to be directed towards maintaining orderly trading conditions. This involved large

Table 6.8

Canada's Balance of International Payments

	1976	1977	1978	1979	1980	1981	1982
(billions of dollars)							
Current account balance	- 3.8	- 4.3	- 4.9	- 5.0	- 1.1	- 5.3	2.7
Merchandise balance	1.4	2.7	4.0	4.1	8.5	7.4	17.7
Services balance	- 5.8	- 7.4	- 9.0	- 9.7	- 10.8	- 14.3	- 16.5
Net transfers	0.5	0.4	0.0	0.7	1.2	1.6	1.4
Long-term capital flows	8.0	4.2	3.1	1.9	0.9	0.6	8.6
Direct investment in							
Canada	- 0.3	0.5	0.1	0.7	0.6	- 4.6	- 1.4
Direct investment abroad	- 0.6	- 0.7	- 2.1	- 2.5	- 3.1	- 5.9	0.2
New issues of Canadian securities	9.0	5.9	6.4	5.1	5.5	13.5	16.0
Other	- 0.1	- 1.4	- 1.2	- 1.4	- 2.1	- 2.4	- 6.2
Short-term capital flows	0.1	0.7	1.2	6.9	- 0.7	15.1	- 9.4
Change in the chartered banks' foreign currency position	- 0.9	1.4	2.8	4.1	1.4	18.0	- 4.4
Non-bank holdings of short-term funds							
abroad	- 0.3	- 0.7	- 0.7	0.1	- 0.5	- 6.7	- 3.1
Other	1.4	- 0.1	- 0.9	2.7	- 1.6	3.8	- 1.9
Errors and omissions	- 3.7	- 2.0	- 2.7	- 2.2	- 0.6	- 9.1	- 2.5
Total capital flows (including errors and omissions)	4.4	2.9	1.6	6.7	- 0.4	6.6	- 3.3
SDR allocation	0.0	0.0	0.0	0.2	0.2	0.2	0.0
Net official monetary movement	0.5	- 1.4	- 3.3	1.9	- 1.3	1.4	- 0.7
Official international reserves	0.5	- 1.4	- 0.2	- 0.9	- 0.5	0.4	- 0.7
Official monetary liabilities	0.0	0.0	- 3.1	2.8	- 0.7	- 1.0	0.0

Note: Balances may not add due to rounding.

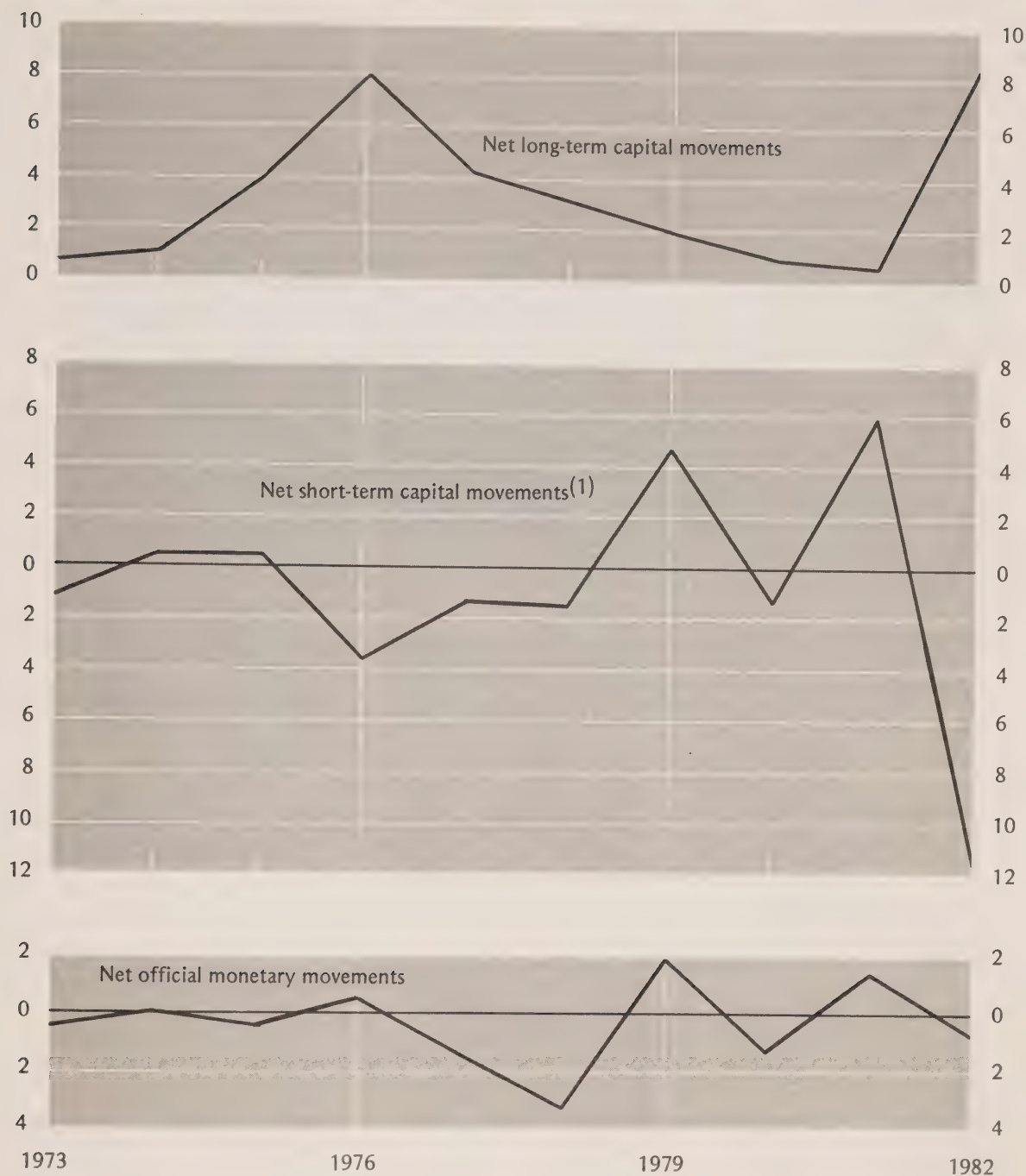
Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001.

sales of foreign exchange in May and June, when the Canadian dollar came under sharp downward pressure, and sizeable purchases subsequently, as this pressure reversed. These operations, along with foreign currency borrowings and repayments of debt incurred for reserve manage-

ment purposes, accounted for the bulk of the transactions affecting Canada's official international reserves in 1982. At the end of 1982, reserves stood at U.S. \$3,793 million, down U.S. \$578 million from the end of 1981.

Chart 6.3

Canadian Balance of International Payments

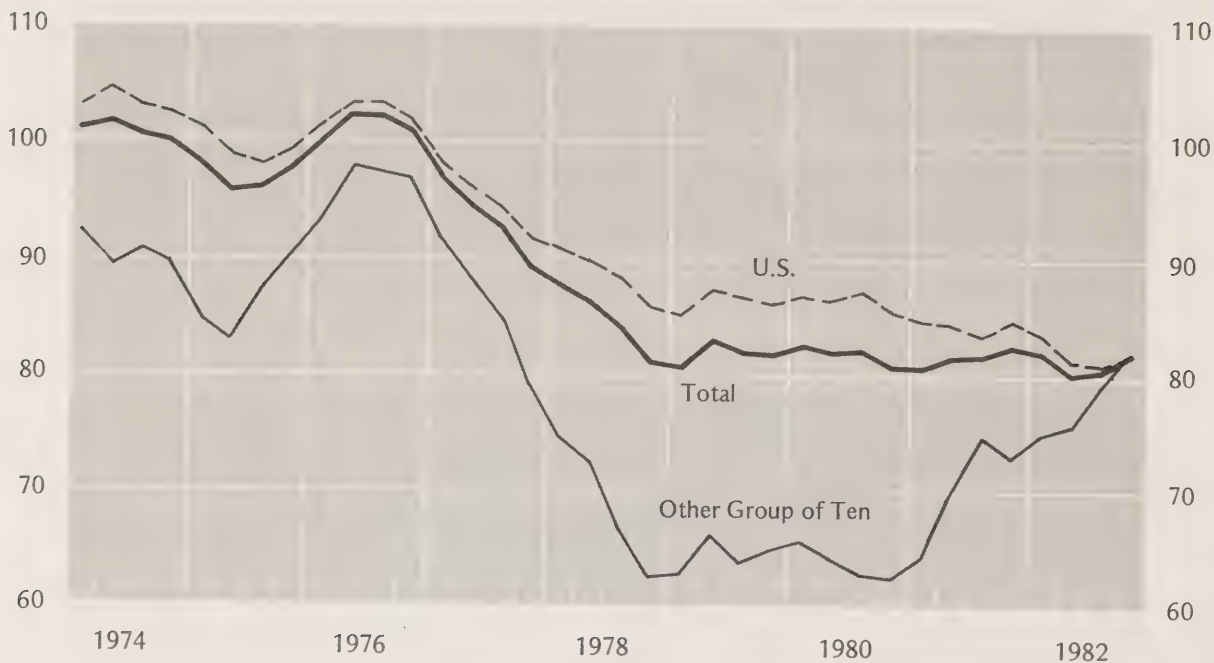


(1) Includes net errors and omissions.

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, quarterly, cat. 67-001.

Chart 6.4

Price Indexes for the Canadian Dollar Relative to the Currencies of the Group of Ten Countries,⁽¹⁾ 1971 = 100



(1) The various currencies are weighted to reflect each country's average share of Canada's foreign trade between 1977 and 1981. The Group of Ten (G-10) includes Germany, Belgium, Canada, the United States, France, Italy, the Netherlands, the United Kingdom, Sweden, Japan and Switzerland.

Source: Bank of Canada, *Review*, monthly and Department of Finance.

7. The Government Sector

This chapter examines developments in the government sector of the economy during 1982. The budget balance positions, revenues and expenditures of the federal government, provincial-local-hospital sector, the Canada and Quebec Pension Plans and the total government sector are reviewed. Information on governments' financial requirements, public debt and debt management is also provided.⁽¹⁾

Federal Government

As shown in Table 7.1 the federal deficit on a national accounts basis rose to \$21.1 billion in 1982 compared to \$8.0 billion in 1981. This significant increase reflects weak growth in revenues combined with continued growth across most expenditure categories.

Table 7.2 indicates that federal revenue rose only 1.8 per cent in 1982, compared with 25.8 per cent in 1981. The main sources of weakness were direct taxes on corporations and indirect

taxes. The decline in corporate taxes, reflecting the depressed state of corporate profits, was partially offset by an increase in the petroleum and gas revenue tax (PGRT) and the new incremental oil revenue tax (IORT) which became effective in January 1982. The PGRT increased because of an increase in the effective tax rate in 1982 and higher wellhead oil and gas prices.

The decline in indirect tax revenue was led by petroleum compensation charges due to lower average tax rates and oil demand in 1982. Including the special petroleum compensation charges of 1981, the average rate fell from \$43.36 per cubic metre in 1981 to \$39.64 in 1982. Prominent revenue declines also occurred in the oil export charge and customs import duties. The rate of the oil export charge fell sharply in 1982 as domestic oil prices moved closer to international prices. The decline in customs import duties primarily reflects lower imports as well as the continuing impact of the rate reductions from multilateral trade negotiations. Sales tax revenue declined in 1982 due to the lower nominal tax

⁽¹⁾ Unless otherwise stated, the information in this chapter is based on national accounts calendar year data.

Table 7.1
Federal Government Revenue, Expenditure and Net Position
(National accounts basis)

	Revenue		Expenditure		Surplus or deficit (—)
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)	(millions of dollars)
1974	29,978	31.4	28,869	28.8	1,109
1975	31,703	5.8	35,508	23.0	— 3,805
1976	35,313	11.4	38,704	9.0	— 3,391
1977	36,509	3.4	43,812	13.2	— 7,303
1978	38,390	5.2	49,075	12.0	— 10,685
1979	43,541	13.4	52,805	7.6	— 9,264
1980	50,646	16.3	60,799	15.1	— 10,153
1981	63,737	25.8	71,716	18.0	— 7,979
1982	64,874	1.8	85,957	19.9	— 21,083

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

Table 7.2
Federal Government Revenue
(National accounts basis)

	1981		1982	
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)
Direct taxes – persons				
Personal income taxes.....	23,021	20.3	25,847	12.3
Employer/employee contributions to government pension funds.....	1,372	14.4	1,595	16.3
Employer/employee contributions to unemployment insurance	4,702	50.5	4,811	2.3
Total	29,096	24.0	32,254	10.9
Direct taxes – corporations				
Corporate income taxes	7,419	– 11.9	5,097	– 31.3
Petroleum and gas revenue tax.....	980	n.a.	1,436	46.5
Incremental oil revenue tax	—	—	212	n.a.
Total	8,399	– 0.3	6,745	– 19.7
Non-resident tax	1,110	11.6	1,178	6.1
Indirect taxes				
Sales and other excise taxes ..	6,755	12.6	6,480	– 4.1
Oil export charge	975	14.7	702	– 28.0
Customs import duties.....	3,485	11.6	2,876	– 17.5
Excise duties	1,171	19.0	1,241	6.0
Gasoline excise tax	448	1.6	408	– 8.9
Petroleum compensation charges	4,266	456.2	3,161	– 25.9
Natural gas and gas liquids tax.....	845	n.a.	1,232	45.8
Canadian ownership special charge	629	n.a.	945	50.0
Other ⁽¹⁾	264	12.8	279	5.7
Total	18,838	55.3	17,324	– 8.0
Investment income	5,349	11.1	6,294	17.7
Other revenue ⁽²⁾	945	14.5	1,079	14.2
Total revenue	63,737	25.8	64,874	1.8

⁽¹⁾ Other indirect taxes include the airport tax, western grain stabilization levy and miscellaneous indirect taxes.

⁽²⁾ Other revenue includes other transfers from persons and capital consumption allowances.

n.a.: not applicable.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

base, particularly for consumer durables and investment goods. The strongest revenue increase was for the natural gas and gas liquids tax due to a rate increase effective February 1982. The increase in gross revenue from the Canadian ownership special charge merely reflects the fact that the levy did not begin until May 1981; the 1981 total therefore represents less than a full year effect.

Direct taxes on persons rose 10.9 per cent in 1982. Personal income taxes rose 12.3 per cent – larger than the 9.7-per-cent increase in personal income because of the substantial growth in 1981 in investment income on which much of the associated income tax was not paid until 1982. Employee-employer contributions to the unemployment insurance fund rose marginally in 1982. Employee-employer contribution rates fell in 1982 and employment declined during the year. These two factors largely offset the 11-per-cent growth in maximum earnings subject to contribution and the overall growth of labour income. Investment income was also a prominent source of revenue growth in 1982, mainly due to interest on publicly-held funds.

As shown in Table 7.3, total federal expenditure increased 19.9 per cent in 1982. Expenditure on goods and services rose 13.9 per cent and the total amount spent on wages and salaries advanced 17.0 per cent; growth in federal employment to handle increased demands on social programs was a major contributing factor. There was a considerable increase in gross capital formation in 1982, partly the result of an abnormally low level in 1981 due to inventory liquidation and partly because of construction activities related to employment-creation programs initiated in 1982. In addition, the government also increased its purchases of rolling stock for grain transportation in 1982. Transfers to persons, led by the rapid increase of 78 per cent in unemployment insurance benefits, grew by over 30 per cent in 1982. Subsidies declined in 1982. Petroleum compensation payments fell off, due largely to the decline in the difference between the world and domestic price of oil and partly to a decline in oil imports, but other subsidies grew rapidly mainly because of increased requirements for rail activities. Capital assistance more than doubled as petroleum incentive program payments were paid retroactively for 1981 as well as for 1982. The growth of transfers to non-resi-

dents reflects the government's commitment to increase foreign aid to 0.5 per cent of GNP by mid-decade. The decline in interest rates from their peak 1981 levels was partially offset by increased borrowing requirements in 1982. As a result, the growth of interest on the public debt was 23.1 per cent in 1982 following a rise of 38.3 per cent in 1981. The growth of transfers to other levels of government increased. Canada Assistance Plan payouts were up as a result of the lower level of economic activity in 1982. Payments under the Established Programs Financing arrangements were down substantially in 1982 due to large prior years' adjustments and to the elimination of the revenue guarantee under the new federal-provincial agreement. Fiscal arrangements payments went up, partly as a result of prior years' adjustments. Other transfers to other levels of government grew rapidly because of a population adjustment payment to the provinces of \$226 million.

Table 7.4 extends the national accounts balance to include loans and other transactions, and thus to arrive at the financial requirements of the federal government. Financial requirements (excluding foreign exchange transactions) were \$617 million less than the national accounts deficit in 1982 mainly because the "cash versus accruals" category provided a substantial source of funds of \$2,736 million. Loans, investments and advances and other transactions constituted a net requirement for funds of \$1,156 million. Other transactions include a \$1,292 million requirement for the provincial tax collection account – a deposit and trust account which is credited with estimated provincial income tax collections and from which payments are made to the provinces participating in the tax collection agreements.

Debt Management

Debt management in 1982 was characterized by the large debt program undertaken by the federal government in response to its sizeable financial requirements. As indicated in Table 7.5, the Government of Canada raised \$18.1 billion in net new funds in domestic markets in 1982 which exceeded the amounts borrowed in either 1980 or 1981 and increased the outstanding Government of Canada direct and guaranteed securities to \$107.3 billion at the end of 1982. Of this \$18.1 billion, \$5.0 billion was raised through the

Table 7.3
Federal Government Expenditure
(National accounts basis)

	1981		1982	
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)
Final demand expenditure				
Current goods and services				
Wages and salaries	10,080	19.1	11,798	17.0
Other ⁽¹⁾	6,285	17.8	6,838	8.8
Total	16,365	18.6	18,636	13.9
Gross capital formation	1,029	2.1	1,493	45.1
Total	17,394	17.4	20,129	15.7
Transfers to persons				
Family allowances	1,958	8.1	2,204	12.6
OAS/GIS benefits	8,213	17.0	9,304	13.3
Unemployment insurance benefits	4,862	12.2	8,633	77.6
Other ⁽²⁾	3,752	13.5	4,503	20.0
Total	18,785	14.1	24,644	31.2
Subsidies				
Petroleum compensation payments	4,468	13.8	2,877	- 35.6
Other ⁽³⁾	2,026	26.8	2,772	36.8
Total	6,494	17.6	5,649	- 13.0
Capital assistance	760	7.3	2,288	201.1
Transfers to non-residents	859	6.8	1,039	21.0
Interest on the public debt	13,351	38.3	16,440	23.1
Transfers to other levels of government				
Canada Assistance Plan	2,223	21.7	2,650	19.2
Fiscal arrangements	4,154	10.6	5,346	28.7
Established Programs				
Financing	5,194	4.7	4,667	- 10.1
Extended Health Care	704	10.9	814	15.6
Other ⁽⁴⁾	1,798	8.8	2,291	27.4
Total	14,073	9.7	15,768	12.0
Total expenditure	71,716	18.0	85,957	19.9

⁽¹⁾ Other goods and services include expenditure on currently produced goods and services, capital consumption allowances and capital expenditure for defence.

⁽²⁾ Other transfers to persons include veterans' pensions and allowances, government pensions and transfers to native groups.

⁽³⁾ Other subsidies include payments to the C.B.C., transportation subsidies and agricultural subsidies.

⁽⁴⁾ Other transfers to other levels of government includes grants to municipalities and territories in lieu of taxes, DREE grants to the provinces and bilingualism grants.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

Table 7.4

Federal Government Financial Transactions⁽¹⁾
(Extended national accounts presentation)

	1981	1982
	(millions of dollars)	
Deficit (national accounts basis)	- 7,979	- 21,083
Loans and other transactions		
Loans, investments and advances ⁽²⁾	- 1,043	- 1,156
Cash versus accruals ⁽³⁾	884	2,736
Other transactions	915	- 963
Net source or requirement (-)	756	617
Financial requirements (excluding foreign exchange transactions)	- 7,223	- 20,466
Foreign exchange transactions ⁽⁴⁾	- 1,345	2,272
Total financial requirements	- 8,568	- 18,194
Unmatured domestic debt transactions ⁽⁵⁾	12,078	18,060
Change in cash balance	3,510	- 134
Level of cash balances at end of period	7,660	7,526

⁽¹⁾ The national income and expenditure accounts balances are subject to revision, and the loans and other transactions series are derived from unaudited monthly data. Any imprecision in these items would also affect the residually determined cash versus accruals series.

⁽²⁾ The "loans and other transactions" category includes loans to financial intermediary Crown corporations and other agencies which are not considered part of the federal government in the national accounts.

⁽³⁾ In arriving at the national accounts surplus or deficit, certain items such as corporate income tax liabilities and the oil export charge are calculated on an accrual basis. This adjustment is required to convert the transactions to a cash basis.

⁽⁴⁾ Source or requirement (-).

⁽⁵⁾ The unmaturing debt transactions do not include foreign currency borrowings. Such borrowings are recorded in foreign exchange transactions and influence the government's Canadian dollar cash balances only to the extent that such funds are used to purchase Canadian currency in foreign exchange markets.

Source: Department of Finance.

issue of Treasury bills, \$4.9 billion through marketable bonds, and \$8.1 billion through net issues of Canada Savings Bonds (CSBs).

Between 1975 and 1980 the government reduced its dependence on CSBs as a source of new borrowed funds with the result that the proportion of CSBs to the total debt in Canadian dollars fell from about 42 per cent to 23 per cent. During this period the government encouraged an increase in holdings of its marketable debt by the non-bank investing public. However, since 1980 the proportion of CSBs in the debt structure has been increasing, rising to 31.4 per cent in 1982 from 28.7 per cent in 1981 and 22.8 per cent in 1980. This development reflects both the decision by the government to increase the use of

CSBs as a source of funds and the fact that market interest rates fell during both the 1981 and 1982 CSB campaigns, making the CSB rate very attractive and resulting in very large net sales. The decision to rely more heavily on CSBs reflected a change in method of pricing whereby current yields were set for the first year and minimum yields for all subsequent years of these two issues.

The \$4.9 billion in new funds raised through the issue of marketable bonds was slightly higher than the amount realized in 1981. With falling interest rates market conditions improved, which meant that Canada bond issues were generally well received throughout the year and particularly so during the second half of 1982. While inves-

Table 7.5

Outstanding Government of Canada Direct and Guaranteed Securities (Denominated in Canadian dollars)

	Treasury bills		Marketable bonds		Canada Savings Bonds		Total
	(billions of dollars)	(per cent)	(billions of dollars)	(per cent)	(billions of dollars)	(per cent)	(billions of dollars)
1975.....	6.2	16.4	15.9	41.9	15.8	41.5	37.9
1976.....	7.8	18.6	17.7	42.0	16.6	39.4	42.2
1977.....	10.3	20.6	21.6	43.0	18.3	36.4	50.2
1978.....	13.1	22.6	24.8	42.7	20.2	34.7	58.1
1979.....	15.2	23.2	31.6	48.1	18.9	28.7	65.7
1980.....	20.7	26.9	38.8	50.2	17.6	22.8	77.1
1981.....	20.7	23.2	43.0	48.2	25.6	28.7	89.2
1982.....	25.7	24.0	47.9	44.6	33.7	31.4	107.3

Source: Bank of Canada, *Review*, monthly.

tors remained hesitant to commit funds to the long-term bond market and continued to direct their funds towards extendible bonds during the first eight months of the year, the last quarter saw longer-term bonds being well received. Of particular note was the successful development of a 10-year market during the latter part of 1982, attracting, among others, investors who had previously been willing to commit themselves to no more than five years.

The marketable bond program consisted of 11 issues in total, three more than in 1981. Only 15.6 per cent of the bonds issued in 1982 had a term to maturity in excess of 10 years, compared with 24.0 per cent in 1981. Of total marketable bonds issued, extendible bonds accounted for 25.2 per cent or \$2.3 billion in 1982, compared to 61.0 per cent in 1981. The extendible issues had an initial maturity of four to five years and are exchangeable, at the option of the holder, for bonds bearing the same interest coupon and maturing five years later.

The \$5.0 billion raised through the issue of Treasury bills was in contrast to 1981 when no net funds were raised through Treasury bills. In part, the increased use of Treasury bills throughout 1982 reflected the expectation that interest rates would decline, making it advantageous to issue short-term debt. As a percentage of debt outstanding, Treasury bills increased slightly to 24.0 per cent from 23.2 per cent in 1981.

As indicated in Table 7.6, the non-bank general public continued to play a significant part in the government's debt program, increasing its holdings of Government of Canada debt by \$16.9 billion in 1982, compared to \$11.2 billion in 1981. With an attractive rate of return on CSBs, this sector's holdings of these securities increased by about \$8 billion in 1982. The general public purchased, on balance, \$8.1 billion of CSBs, while purchasing \$8.8 billion of marketable Government of Canada securities. This sector's holdings of marketable debt increased to \$44.6 billion, or 61 per cent of outstanding domestic marketable debt at the end of 1982, from \$35.8 billion at the end of 1981.

In the fall of 1982, the CSB campaign produced gross sales of \$11.2 billion compared to \$12.8 billion in 1981. Net sales during the campaign period, after allowance for redemptions of outstanding issues, amounted to \$9.6 billion compared to \$11.5 billion in 1981. The terms of the CSBs announced on October 7, 1982 offered a rate of 12.0 per cent in the first year and a minimum of 8.5 per cent in each of the remaining six years.

The government undertook a number of foreign currency loans in bond markets in 1982. In March the government borrowed 400 million Swiss francs (U.S. \$213 million) through a private placement in the Swiss capital market. The five-year issue, at 7.25 per cent, was a partial rolling

Table 7.6

**Non-Bank General Public Holdings of Government of Canada
Direct and Guaranteed Securities
(Denominated in Canadian dollars)**

	Treasury bills		Marketable bonds		Canada Savings Bonds		Total
	(billions of dollars)	(per cent)	(billions of dollars)	(per cent)	(billions of dollars)	(per cent)	(billions of dollars)
1975.....	—	—	5.7	26.4	15.8	73.6	21.5
1976.....	1.4	5.8	6.2	25.6	16.6	68.6	24.2
1977.....	2.7	9.2	8.3	28.3	18.3	62.5	29.3
1978.....	3.8	10.7	11.6	32.5	20.2	56.8	35.6
1979.....	4.0	9.9	18.1	44.1	18.9	46.0	41.0
1980.....	7.6	15.1	25.0	49.8	17.5	35.1	50.2
1981.....	6.8	11.1	29.0	47.2	25.6	41.7	61.4
1982.....	12.4	15.8	32.2	41.1	33.7	43.0	78.3

Source: Bank of Canada, *Review*, monthly.

over of a maturing 700 million Swiss franc syndicated bank loan. On April 29, 1982 there was a partial rollover of a 400 million Deutschemark loan that was to mature on April 30, 1982. The new DM 200 million single maturity public offering had a maturity date of April 30, 1989 and a coupon rate of 8.50 per cent. In June, a U.S. \$750 million Eurodollar issue was undertaken with a five-year term to maturity and a 14.75 per cent coupon. The bonds were dated June 16, 1982 and have a maturity date of June 16, 1987.

There were also several drawings made in 1982 on the standby lines of credit with Canadian and foreign banks to bolster foreign currency reserves. In April, a drawing of U.S. \$500 million was made under the \$3 billion standby credit facility with the U.S. and other foreign banks, while in May a drawing of U.S. \$300 million was made under the \$3.5 billion standby credit facility with the Canadian chartered banks. Four drawings were made on the credit facilities in June totalling U.S. \$1 billion under the U.S. and foreign facility and U.S. \$600 million under the Canadian facility. By year end all of these loans had been repaid so that no drawings were outstanding on either credit facility. In addition in 1982 the standby agreement with the foreign banks was renegotiated and the size of the facility increased \$1 billion to \$4 billion.

The reference tables provide details of new issues and retirements of Government of Canada mar-

ketable debt in 1982 and changes in marketable securities and CSBs outstanding.

While changes in the borrowing requirements are discussed above on a calendar year basis, data on public debt are shown in the public accounts on a fiscal year basis. Federal government domestic unmatured debt transactions and foreign borrowings increased total unmatured debt outstanding by \$11.1 billion in 1980-81 and \$9.2 billion in 1981-82 as indicated in the reference tables. As a percentage of GNP, total unmatured debt outstanding decreased from 28.7 per cent in 1980-81 to 27.9 per cent in 1981-82. Net debt increased from 28.0 per cent of GNP in 1980-81 to 28.6 per cent in 1981-82. Net debt charges (gross public debt charges less returns on investment) increased from 2.3 per cent of GNP in 1980-81 to 3.0 per cent in 1981-82 while gross debt charges increased from 3.7 per cent of GNP to 4.6 per cent over the same time period.

Financial requirements for the first nine months of fiscal year 1982-83 were \$18.3 billion, while actual financing over the same period was \$19.2 billion. As shown in Table 7.7 Treasury bills represented 33.2 per cent of the actual financing while marketable bonds represented 21.2 per cent and CSBs made up 45.6 per cent.

Table 7.7

Government of Canada Financial Requirements and Sources of Financing, Fiscal 1982 (April 1 – December 31, 1982)
(Public accounts presentation)

	(millions of dollars)	(per cent)
Financial requirements (excluding foreign exchange transactions)	– 19,662	
Foreign exchange transactions	1,411	
Total financial requirements	– 18,251	
Treasury bills	6,350	33.2
Marketable bonds	4,080	21.2
Canada Savings Bonds	8,726	45.6
Total sources of financing	19,156	100.0

Source: Department of Supply and Services, *Statement of Financial Operations*, December, 1982.

Provincial and Local Governments

The fiscal situation of the provincial-local government sector (including hospitals) in 1982 was also dominated by the recession. Government revenue bases across Canada have turned out to be significantly lower than had been commonly anticipated at the start of 1982. Greater numbers of people were unemployed and an increasing proportion of those who had exhausted their unemployment insurance benefits became social welfare recipients, thereby increasing shared cost payments under the Canada Assistance Plan. Although net migration to western Canada slowed, western population continued to grow more rapidly than that of the rest of the country. Provincial-local government employment continued to grow at about 2 per cent per annum, reflecting in part these demographic developments in western Canada.

Total provincial-local financial liabilities increased further in 1982 largely reflecting increased borrowing requirements. While this sector benefited from the substantial decline in long-term interest rates in the second half of 1982, average effective interest rates on provincial-local debt continued to rise, as maturing bonds issued at lower rates 10 to 15 years ago were refinanced at prevailing interest rates. Provinces were able to meet their borrowing requirements without placing

undue pressure on domestic credit markets; competing private credit demands in Canada were weak and substantial borrowing was done in foreign markets. Two provinces had their bond ratings downgraded in 1982 while others felt threatened by the possibility of such action. Some provinces reacted with plans to stop further hiring or reduce their staff, and two provinces allowed their Crown enterprises to resume electricity price increases. Several provinces offset part of the cyclical increase in their deficit with discretionary tax increases in 1982. Notable exceptions were Alberta and Saskatchewan where tax cuts of \$1.1 billion were made, dominated by reductions in taxes on the oil and gas industry. As well, Saskatchewan, like Alberta, now has no motive fuel tax.

As in previous recessions, the provincial-local government tax and income security payment structure acted as an automatic stabilizer, contributing significantly to the increase in this sector's deficit. However, the preliminary estimate of the increase in the provincial-local sector's budgetary deficit during the 1979-1982 downswing, equivalent to 0.9 percentage points of GNP, is less than the increase experienced during the shorter and milder recession of the mid-1970s although the increase then was equivalent to 1.3 percentage points of a smaller GNP. The growth in Crown enterprise capital formation was

also smaller than in the mid-1970s. Future revisions by Statistics Canada may narrow this difference. These revisions can be substantial; for example, Statistics Canada's original estimate of a 1981 provincial-local surplus of \$2,058 million was subsequently revised down to \$707 million and further downward revisions are possible.

Preliminary estimates of the provincial-local budgetary positions are given in Table 7.8 for the economically weak years of 1974-1975 and for the period 1979-1982. Relative to gross domestic provincial product, the deficits of the Atlantic provinces exceed those of central Canada. The resource revenues of Saskatchewan and Alberta are a major factor accounting for their surpluses. While the estimates for 1982 in Statistics Canada's experimental provincial economic accounts are not scheduled for publication until early 1984, other indicators point to a continuation of these inter-provincial differences.

Component detail of provincial-local sector revenues and expenditures is given in Table 7.9. The

cash impacts on provincial own-source revenues resulting from provincial and federal discretionary tax changes are summarized in Table 7.10. The "budgetary" and "non-budgetary" financial asset acquisitions of the provincial-local sector are presented in Table 7.11 along with net new direct financial liabilities and corresponding flows for provincial Crown enterprises.

Provincial-local total revenues rose 10.8 per cent in 1982. About one-quarter of this increase was attributable to increased federal tax and cash transfers to provinces, whose growth rate slightly exceeded provincial-local own-source revenues. Cash transfers under the Established Programs Financing (EPF) arrangements were affected by the legislated change to the EPF arrangements to eliminate compensation for termination of the 1972 revenue guarantee; on the other hand, equalization, Canada Assistance Plan payments and other transfers each grew substantially in 1982.

Table 7.8
Provincial-Local Government (Including Hospitals)
Revenue, Expenditure and Net Position Summary
(National accounts basis)

	1974	1975	1979	1980	1981	1982
(in millions of dollars, except where noted)						
Revenues	32,360	37,426	64,818	72,192	81,188	90,003
(percentage change)	(23.5)	(14.7)	(12.3)	(11.4)	(12.5)	(10.8)
Expenditures	32,715	39,673	63,250	71,216	80,481	91,346
(percentage change)	(21.1)	(21.3)	(11.2)	(12.6)	(13.0)	(13.5)
Surplus or deficit	- 85	- 2,247	1,568	976	707	- 1,343
of which						
Newfoundland	- 58	- 100	- 57	0	- 17	n.a.
Prince Edward Island	- 3	1	- 34	- 36	- 13	n.a.
Nova Scotia	- 32	- 75	- 134	- 49	- 321	n.a.
New Brunswick	- 23	- 92	- 41	- 43	- 59	n.a.
Quebec	- 304	- 685	- 1,378	- 2,523	- 2,543	n.a.
Ontario	- 390	- 1,586	376	343	279	n.a.
Manitoba	- 26	- 71	- 43	33	- 85	n.a.
Saskatchewan	145	5	147	237	305	n.a.
Alberta	626	587	2,283	2,800	2,652	n.a.
British Columbia	28	- 215	477	209	495	n.a.
Yukon and Northwest Territories ..	- 48	- 16	- 28	10	14	n.a.

n.a.: Not available until January 1984.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; and *Provincial Economic Accounts*, annual, cat. 13-213; and Department of Finance.

Table 7.9
Provincial-Local Government (Including Hospitals)
Revenue and Expenditure Components
(National accounts basis)

	1974	1975	1979	1980	1981	1982
	(millions of current dollars)					
Revenue—total ⁽¹⁾	32,630	37,426	64,818	72,192	81,188	90,003
Own-source revenue total ⁽¹⁾	26,465	29,756	53,064	59,361	67,115	74,235
Direct taxes—persons ⁽¹⁾	6,051	6,993	13,500	15,197	18,729	20,772
Direct taxes—corporations ⁽¹⁾	2,039	2,114	3,162	3,757	3,267	2,316
Indirect taxes—retail sales tax	3,491	3,549	5,548	6,100	6,953	7,868
—local property tax ..	4,561	5,291	8,690	9,404	10,387	11,632
—other ⁽²⁾	4,329	4,720	7,721	8,480	9,721	11,364
Investment income—royalties	1,538	1,904	4,526	5,524	5,598	6,272
—interest	1,557	2,030	4,346	4,746	5,377	5,926
Other own-source revenue ⁽³⁾	2,899	3,215	5,571	6,153	7,083	8,085
Federal cash transfers—total	6,165	7,670	11,754	12,831	14,073	15,768
Expenditure—total	32,715	39,673	63,250	71,216	80,481	91,346
Final demand—total	24,879	30,228	45,980	51,987	58,561	66,190
Wages and salaries	14,356	17,557	28,461	32,702	37,228	42,479
Other current goods and services ⁽⁴⁾	6,009	7,442	10,973	11,947	13,036	14,510
Capital formation	4,514	5,229	6,546	7,338	8,297	9,201
Transfers to persons	4,680	5,739	9,762	11,167	12,744	14,107
Subsidies and capital assistance	692	873	1,793	1,818	2,035	2,251
Interest on the public debt	2,464	2,833	5,715	6,244	7,141	8,798
Surplus or deficit—total	— 85	— 2,247	1,568	976	707	— 1,343

⁽¹⁾ Includes federal personal and corporate income tax transfers to provinces.

⁽²⁾ Consists of fuel, tobacco, liquor, motor vehicle license and miscellaneous indirect taxes.

⁽³⁾ Consists of transfers from persons and capital consumption allowances.

⁽⁴⁾ Consists of medicare, capital consumption allowances and other non-wage current goods and services.

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

As a percentage of GNP, own-source provincial-local revenues increased 1.0 percentage points in 1982. Increases in personal direct taxes, indirect taxes, and investment income more than offset the decline in direct taxes on corporations as a percentage of GNP. Direct taxes on corporations fell 29 per cent in 1982.

Factors contributing to the growth in personal direct taxes were the increased share of personal income in GNP; the personal income tax rate increases in Newfoundland, Nova Scotia and New Brunswick; the introduction of a special surtax and payroll tax in Manitoba; the withdrawal of some tax credits in British Columbia; and the net effect of the tax changes proposed in the November 12, 1981 budget with subsequent adjustments (see Table 7.10).

The increase in indirect taxes as a percentage of GNP reflected retail sales tax increases in Newfoundland, Nova Scotia, New Brunswick, Quebec and Ontario; Nova Scotia's shift from specific to *ad valorem* motive fuel taxation; increased tobacco and/or alcohol taxes in most of these same provinces and Manitoba and Saskatchewan; the introduction of a capital tax on financial institutions in Newfoundland and increases in the same tax category by Quebec, Manitoba and British Columbia; and higher insurance premiums in Newfoundland and Manitoba. In the aggregate, these factors outweighed Saskatchewan's removal of its motive fuel tax.

Provincial-local investment income grew faster than GNP in 1982. The increase in interest income can be explained by an increase in the

Table 7.10

**Estimated Impacts on Provincial Government Own-Source Revenues
in 1982 of Discretionary Tax Measures**

	Saskatchewan and Alberta	Other provinces	Total
(millions of dollars)			
Direct taxes—persons			
Federal	n.a.	n.a.	177 ⁽¹⁾
Provincial	—	195 ⁽²⁾	195 ⁽²⁾
Direct taxes—corporations			
Federal	n.a.	n.a.	164 ⁽¹⁾
Provincial	— 525	— 167 ⁽²⁾	— 692 ⁽²⁾
Indirect taxes—provincial	— 80	648	568
Retail sales	— 2	460	458
Fuel	— 82	23	— 59
Tobacco	4	58	62
Alcohol	—	79	79
Other	—	28	28
Transfers from persons—provincial	—	118	118
Investment income—provincial	— 508	—	— 508
Total			
Federal	n.a.	n.a.	341
Provincial	— 1,113	794	— 319
Total	n.a.	n.a.	22

(1) Federal measures of the November 12, 1981 budget and subsequent adjustments. The estimate for the impact on direct taxes—corporations is lowered \$135 million because Ontario chose not to parallel certain corporate tax measures.

(2) Excludes Quebec's paralleling of the federal measures of the November 12, 1981 budget, as subsequently modified, which are included in the federal total. Excludes Quebec's partial indexation of its personal income tax and the full indexation of the other provinces' personal income tax.

n.a.: Not available

Source: Department of Finance.

stock of financial assets and the high level of interest rates that generally prevailed throughout 1982. The growth in royalties was accounted for by a 35.6-per-cent increase in the average well-head price of oil, a 5.6-per-cent increase in the average wellhead price of natural gas, and a 5.4-per-cent growth in the volume of gas demand. These more than offset discretionary royalty reductions valued at \$508 million in 1982 by Alberta and Saskatchewan on oil, natural gas and pentanes.

Direct taxes on corporations declined from the equivalent of 1.0 per cent of GNP in 1981 to 0.7 per cent in 1982, reflecting the decline in corporate profits before taxes. In addition, Ontario abolished its corporate income tax on small busi-

ness for a two-year period; Manitoba decreased its small business tax rate; and Alberta increased its royalty tax credit. These corporate tax cuts more than offset rate increases in Newfoundland and Nova Scotia and the impact on the provinces of the corporate tax increases in the federal budget of November 12, 1981.

Provincial-local government expenditures rose 13.5 per cent in 1982. As a share of GNP, expenditures rose to 26.2 per cent in 1982 compared to 24.3 per cent in 1981. Of this 2-percentage-point increase, wages and salaries accounted for about one-half. The remainder was spread over increases in other final demand components, transfers to persons, subsidies and capital assistance and interest on the public debt.

Table 7.11

**Provincial-Local Government (Including Hospitals) and
Crown Enterprise Borrowing Requirements and Financing⁽¹⁾
(Financial flow accounts basis)**

	1975	1979	1980	1981	Jan. - Sept.	
					1981	1982
	(millions of dollars)					
Requirements						
Direct government						
Budgetary surplus or deficit (-)	- 2,247	1,568	976	707	1,081	256
Net new claims on associates (-)	- 1,581	- 981	- 1,114	- 2,318	- 1,370	- 1,934
Increases in cash and deposits (-) ..	625	- 2,650	132	- 3,041	- 3,450	- 1,870
Other net new financial assets ⁽²⁾ (-) ..	- 2,622	- 2,861	- 7,072	- 4,767	- 1,049	- 3,371
Discrepancy (-)	- 741	- 641	- 83	- 1,085	- 1,839	- 2,577
Total government	- 6,566	- 5,565	- 7,161	- 10,504	- 6,627	- 9,496
Crown enterprises						
Unremitted profits and provision for depreciation	619	2,300	2,410	2,656	2,096	1,796
Capital formation (-)	- 5,683	- 7,450	- 7,760	- 9,715	- 7,098	- 8,287
Surplus or deficit (-)	- 5,004	- 5,150	- 5,350	- 7,059	- 5,002	- 6,491
Net new claims on associates (-)	- 114	- 90	- 337	- 114	- 42	- 60
Increases in cash and deposits (-) ..	- 289	936	199	- 1,358	- 1,183	- 1,021
Other net new financial assets ⁽²⁾ (-) ..	- 1,237	- 2,302	- 2,461	- 1,936	- 1,232	- 1,860
Discrepancy (-)	- 43	97	648	882	1,022	1,969
Total Crown enterprises	- 6,747	- 6,509	- 7,301	- 9,585	- 6,437	- 7,463
Total requirements	- 13,313	- 12,074	- 14,462	- 20,089	- 13,064	- 16,959
Net new borrowing						
Bank and other short-term	1,806	2,403	2,161	2,256	1,422	1,159
Net new claims to associates	2,202	1,783	2,318	3,331	2,170	2,789
Other (excluding bonds)	705	465	- 32	621	490	1,424
Bonds, by holder-total	8,600	7,423	10,015	13,881	8,982	11,587
Canada Pension Plan	1,390	1,896	1,901	2,196	1,745	2,228
Provincial and Local Govern- ments and Crown enterprises ⁽³⁾ ..	1,569	1,370	4,245	4,798	3,296	3,863
Persons and unincorporated busi- ness	153	1,627	963	- 592	672	- 1,261
Insurance, pensions and other Canadian	2,027	1,823	2,568	1,974	1,666	1,704
Rest of world	3,461	707	338	5,505	2,651	5,053
Total borrowing	13,313	12,074	14,462	20,089	13,064	16,959

⁽¹⁾ Since complete data for 1982 will not be available until after the *Review* is published, this table provides information for the selected calendar years through 1981 and, for comparison purposes, for the first nine months of 1981 and 1982.

⁽²⁾ Consists of net new acquisitions of second-hand "non-financial" assets, trade receivables, other loans, Treasury bills, finance and other short-term paper, mortgages, federal direct and Crown enterprise bonds, provincial and local government direct and Crown enterprise bonds, corporate and other bonds, stocks, and other financial assets.

⁽³⁾ Includes Caisse de dépôts and other provincial government financial institutions.

Source: Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002.

As a percentage of GNP, provincial-local wages and salaries rose by 1.0 percentage point in 1982, reflecting a 2-per-cent increase in employment combined with a wage rate increase which was slightly greater than the rate of increase in the GNP price deflator. Western employment and wage rate growth continued to exceed growth in central and eastern Canada. For the sector as a whole, employment in health care and public administration rose 3 to 3.5 per cent, while that in education rose one-half per cent in the first eight months of 1982 compared to the corresponding period a year earlier.

The larger share of GNP going to provincial-local transfers to persons — up 0.2 percentage points — reflects the fact that, although welfare payments per recipient are only partially indexed, more people were receiving welfare assistance as a result of the recession.

Provincial-local public debt charges as a percentage of GNP rose by 0.3 percentage points in 1982, reflecting a large increase in the stock of financial liabilities and an increase in the effective rate of interest on the provincial-local debt stock.

Estimated borrowing requirements of about \$20 billion in 1982 were approximately evenly divided between the provincial and local governments themselves and Crown enterprise borrowing. As shown in Table 7.11, in the first three quarters of 1982 direct and guaranteed borrowing requirements increased nearly \$4 billion compared to the same period a year earlier. This amounted to a 1.2-percentage-point increase in the ratio of borrowing requirements to GNP. Indications are that the 1982 total as a percentage of GNP will not be quite as high as during the 1975 slowdown, however. Of the increase in direct and guaranteed borrowing in 1982, about one-third reflected an increase in budgetary deficits and the remaining two-thirds reflected non-budgetary disbursements, Crown enterprise capital formation in excess of retained earnings and net new liquid assets acquisition. An increase in provincial and local government bond holdings by non-residents offset the decline in holdings by resident persons and unincorporated business. Average new provincial long-term bond yields eased from their late-1981 record of 18.7 per cent to 17.4 per cent in mid-1982, and then fell markedly to 12.5 per cent by year-end.

Canada and Quebec Pension Plans

The surpluses of the Canada and Quebec Pension Plans (C/QPP) totalled \$3.8 billion in 1982, increasing \$547 million in the year. As Table 7.12 shows, there was a slight fall in the rate of growth of total expenditures and a more rapid growth of total revenues. Most of the surplus funds of the CPP are borrowed by the provincial governments; these borrowings amounted to \$2.2 billion for the first nine months of 1982.

The national accounts statistics indicate that in 1982 CPP contributions increased 21.8 per cent. However, part of the recorded increase in CPP contributions in 1982 reflects a technical adjustment for previous years' allocations of personal direct tax revenues between income taxes and contributions to the CPP. The trend in the growth of the contributions depends primarily upon the growth in the average level of earnings from employment and the yearly maximum contributory earnings, which increased 12.0 per cent to \$14,900 in 1982. A second source of revenue for the C/QPP is investment income. Investment income of both the CPP and the QPP rose strongly in 1982 due to the increasing balances in the accounts and high interest rates.

Total C/QPP expenditures, including benefits and administrative expenses, grew 22.4 per cent in 1982. Although the total number of CPP beneficiaries increased only 6.8 per cent in 1982, total CPP benefits paid to beneficiaries increased 24 per cent. In part, this difference reflects the 12.3-per-cent indexation factor applicable to CPP benefits in 1982. As the pension plans mature, more of the growth in C/QPP expenditures will be accounted for by indexation and underlying demographic changes. Also, as the plans mature, an increasing fraction of beneficiaries will have contributed to the plan for at least 10 years and will therefore be eligible for maximum benefits. Of those receiving a retirement pension at age 65, the proportion receiving a pension of \$250 or more per month increased to 69 per cent in 1982 from 55 per cent in 1981.

Total Government Sector

Information on the revenue, expenditure, and budget balance position of the consolidated government sector is presented in Tables 7.13 to 7.15. The deficit for the total government sector

Table 7.12
Canada and Quebec Pension Plans
Revenue, Expenditures and Net Position
(National accounts basis)

	1981		1982	
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)
Revenue				
Contributions				
CPP	3,008	15.5	3,665	21.8
QPP	963	2.8	1,085	12.7
Investment				
CPP	1,797	21.8	2,176	21.1
QPP	765	17.2	890	16.3
Total revenue	6,533	15.2	7,816	19.6
Expenditure				
Goods and Services				
CPP	89	53.4	76	- 14.6
QPP	31	6.9	47	51.6
Benefits to residents				
CPP	2,322	22.0	2,873	23.7
QPP	828	24.7	1,006	21.5
Benefits to non-residents	16	23.1	20	25.0
Total expenditure	3,286	23.2	4,022	22.4
Surplus				
CPP	2,378	13.0	2,872	20.7
QPP	869	- 3.1	922	6.1
Total surplus	3,247	8.2	3,794	16.8

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

increased by \$14.6 billion in 1982 after decreasing approximately \$2 billion in 1981. The severity of the economic contraction in 1982 was reflected in the slowdown in the rate of growth of total revenue to 6.9 per cent. Table 7.14 shows that all of the major components of government revenue, except investment income, experienced slower rates of growth in 1982 as the recession eroded tax bases. Slower growth in personal and corporate taxes reflects slower growth of personal and corporate income. The reduction in the rate of growth of indirect taxes reflects absolute declines in federal indirect taxes for energy, sales taxes and customs duties. The faster growth of investment income reflects the higher average

rates of interest which prevailed in 1982 relative to 1981.

There was a marked shift in growth patterns for revenues and expenditures in 1982 relative to 1981. In 1981 revenues grew more rapidly than expenditures while in 1982 expenditures grew more rapidly than revenues. Reflecting the depth of the recession during 1982, expenditures by the consolidated government sector grew 17.1 per cent. The growth in expenditures by the consolidated government sector was dominated both in percentage terms and in dollar terms by the increase in federal transfers to persons. Interest on the public debt also grew sharply although

Table 7.13

Total Government Revenue, Expenditure and Net Position
(National accounts basis)

	Revenue		Expenditure		Surplus or deficit (—)
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)	(millions of dollars)
1975	64,239	9.3	68,288	22.0	— 4,049
1976	73,496	14.4	76,718	12.3	— 3,222
1977	81,310	10.6	86,315	12.5	— 5,005
1978	89,489	10.1	96,881	12.2	— 7,392
1979	101,472	13.4	106,475	9.9	— 5,003
1980	115,676	14.0	121,851	14.4	— 6,175
1981	137,385	18.8	141,410	16.1	— 4,025
1982	146,925	6.9	165,557	17.1	— 18,632

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

falling interest rates during the latter part of the year accounted for a slowing in the growth of public debt charges.

While the federal government budget deficit, which has persisted since 1975, rose \$13.1 billion in 1982, much of the 1982 increase can be attributed to the effects of the recession on revenues and expenditures. Although the provincial-local-hospital sector had been in surplus since 1977, a recession-induced swing between 1981 and 1982 of \$2.1 billion moved it into a deficit position as well. The balance of the consolidated government sector (including the C/QPP accounts), which has been in deficit since 1975, deteriorated by \$14.6 billion in 1982. As in previous issues of the *Economic Review*, the reference tables contain estimates of government budget balances on a cyclically-adjusted basis.⁽²⁾

In order to provide a long historical perspective on federal budget balances, Chart 7.1 presents the federal government's budget balance and estimates of net fixed-value liabilities, both expressed as a percentage of GNP, since 1926.⁽³⁾

Although comparisons between points distant in time should be treated cautiously, it is noteworthy that while the federal deficit as a share of GNP reached a peacetime historical high in 1982, the ratio of net fixed-value indebtedness to GNP is considerably lower than that recorded in earlier periods. The ratio of net fixed-value indebtedness to GNP trended down sharply between the war years and the early 1970s and only recently has reached the levels recorded in the late 1950s. Similar trends would also be exhibited by the federal debt-to-GNP ratio.

⁽²⁾ The effect of cyclical and other factors in interpreting and assessing the federal deficit is discussed at length in the background paper to the April 19, 1983 budget, *The Federal Deficit in Perspective*.

⁽³⁾ The year 1926 has been chosen as the initial year simply because it is the first year that the national accounts are available. From 1961 to 1981, estimates of net fixed-value liabilities are obtained from the *Financial Flow Accounts*; for other years, by accumulation or decumulation of national accounts deficits or surpluses with respect to the estimates of net fixed-value liabilities.

Table 7.14

Total Government Revenues
(National accounts basis)

	1981		1982	
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)
Direct taxes—persons	51,796	22.8	57,776	11.5
Direct taxes—corporations	11,666	– 4.2	9,061	– 22.3
Indirect taxes	45,899	27.1	48,188	5.0
Investment income	18,886	9.7	21,558	14.1
Other revenue	9,138	14.6	10,342	13.1
Total revenue	137,385	18.8	146,925	6.9

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

Table 7.15

Total Government Expenditures
(National accounts basis)

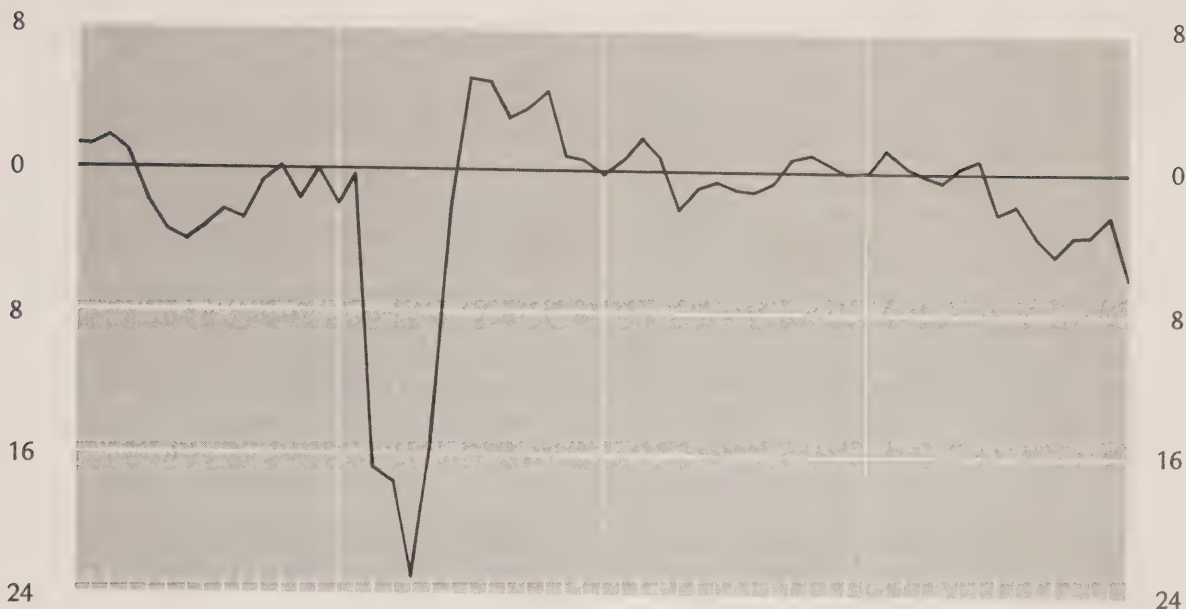
	1981		1982	
	(millions of dollars)	(percentage change)	(millions of dollars)	(percentage change)
Final demand expenditure				
Current goods and services				
Wages and salaries	47,308	14.9	54,277	14.7
Non-wage goods and services	19,441	11.9	21,471	10.4
Total	66,749	14.0	75,748	13.5
Gross capital formation	9,326	11.7	10,694	14.7
Total	76,075	13.7	86,442	13.6
Transfers to persons	34,679	14.8	42,630	22.9
Subsidies and capital assistance	9,289	15.4	10,188	9.7
Transfers to non-residents	875	7.1	1,059	21.0
Interest on public debt	20,492	28.9	25,238	23.2
Total expenditures	141,410	16.1	165,557	17.1

Source: Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

Chart 7.1

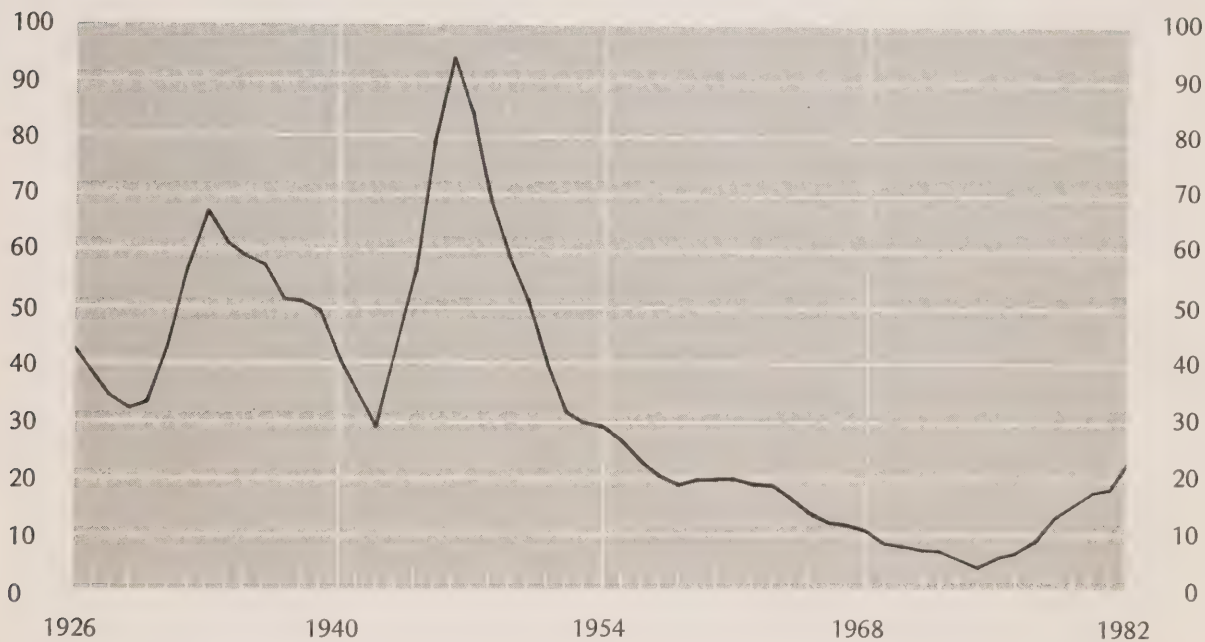
Federal Government National Accounts Balance

(As a percentage of GNP)



Federal Net Liabilities

(As a percentage of GNP)



Source: Statistics Canada, *National Income and Expenditure Account*, cat. 13-001; *Financial Flow Accounts*, cat. 13-563 and Department of Finance.

8. Financial Developments

During the first half of the year, Canadian short-term interest rates generally rose, while over the second half they fell dramatically. The increase in interest rates in the first six months of the year took place in the context of substantial downward pressure on the dollar, triggered by generally rising U.S. short-term interest rates. The first four months of the year saw a considerable narrowing of Canada-U.S. short-term interest rate differentials relative to their levels in the second half of 1981. In May and June, however, interest rate differentials rose significantly as Canadian rates moved up very sharply, but despite this development the dollar plunged to its historical low level of U.S. \$0.7680 in June.

In the last two quarters, the U.S. Federal Reserve Board's more accommodative policy, together with further deceleration of U.S. inflation, resulted in sharp declines in interest rates in the U.S. Reflecting this development, Canadian rates also fell. Initially the fall in Canadian rates was more gradual, leading once again to widening Canada-U.S. interest rate differentials. This, together with the strong improvement in the balance of trade, provided some strength to the dollar in the second half of the year. Interest rate differentials narrowed by the end of the year as the deceleration in inflation became more marked in Canada.

Long-term bond yields, unlike short-term interest rates, fell in the early months of the year. They increased significantly between May and June and thereafter trended downward. Declines in the yields on short-term maturities were more pronounced than those of long-term maturities and as a result the yield curve resumed an upward slope by the year end.

Funds raised in the capital market in 1982 were influenced by the recessionary environment and by historically high interest rates through most of the year. Total borrowings by the private sector were \$19.3 billion, down \$39.2 billion from a year ago. This represents an unprecedented decline in total demand for credit by private sector borrowers. The public sector's demand for credit, however, rose considerably during the year as the continued weakness of the economy lowered tax revenue while simultaneously raising cyclically

sensitive public expenditure. Reflecting the sharp deceleration in demand for credit by the personal and business sectors, total assets of financial institutions experienced a lacklustre growth.

Short-term Interest Rates

Since 1975, the Bank of Canada has been following a policy of gradually reducing the rate of growth of the money supply by affecting the demand for money through its influence on short-term interest rates. The policy indicator used for this purpose had been M1 — a narrow measure of the money supply defined as the sum of currency held outside chartered banks plus demand deposits. However, during most of 1982 monetary policy was importantly influenced by other domestic and international economic and financial developments. M1 had been an inconsistent indicator for quite some time due to the instability of the relationships between M1, levels of aggregate demand and interest rates. A key difficulty in the use of M1 as an indicator of the stance of monetary policy was the continuing and major shifts out of M1 balances, induced by financial innovations such as daily interest accounts and improved corporate cash management. There was an additional, although temporary, problem with the use of M1 during 1982. This consisted of a statistical difficulty of measuring M1 arising from a new reporting system for chartered banks introduced on November 1, 1981. As a consequence, the Bank of Canada announced on November 29, 1982 that it no longer had a specific target for the growth of M1. For somewhat similar reasons, the Federal Reserve Board in the U.S. has been attaching much less weight to movements in M1 since October, 1982.

Although quarterly and annual growth rates of M1 during 1982 are presented in Table 8.1, one must be aware of the distortions in M1 balances alluded to earlier. As far as some broader measures of money supply, M2 and M3, are concerned, they grew somewhat sharply in the first quarter while their growth was below historical levels in the remaining quarters of the year.

In the first six months of the year, short-term interest rates generally rose and peaked in June,

Table 8.1
Monetary Growth and Interest Rates

	Annual			Quarterly 1982 ⁽¹⁾			
	1980	1981	1982	Q1	Q2	Q3	Q4
	(percentage change)						
Money supply ⁽²⁾							
M1	6	4	2	14	7	-7	8
M2	18	15	15	19	12	4	4
M3	14	12	15	19	7	6	5
Interest rates							
	(per cent)						
3-month Treasury bills	12.8	17.7	13.7	14.7	15.5	13.9	10.6
Corporate bonds	13.3	16.3	15.9	17.0	17.1	16.0	13.4
Real interest rate ⁽³⁾	3.0	5.9	3.4	3.8	4.6	3.8	1.2

⁽¹⁾ Seasonally adjusted at an annual rate.

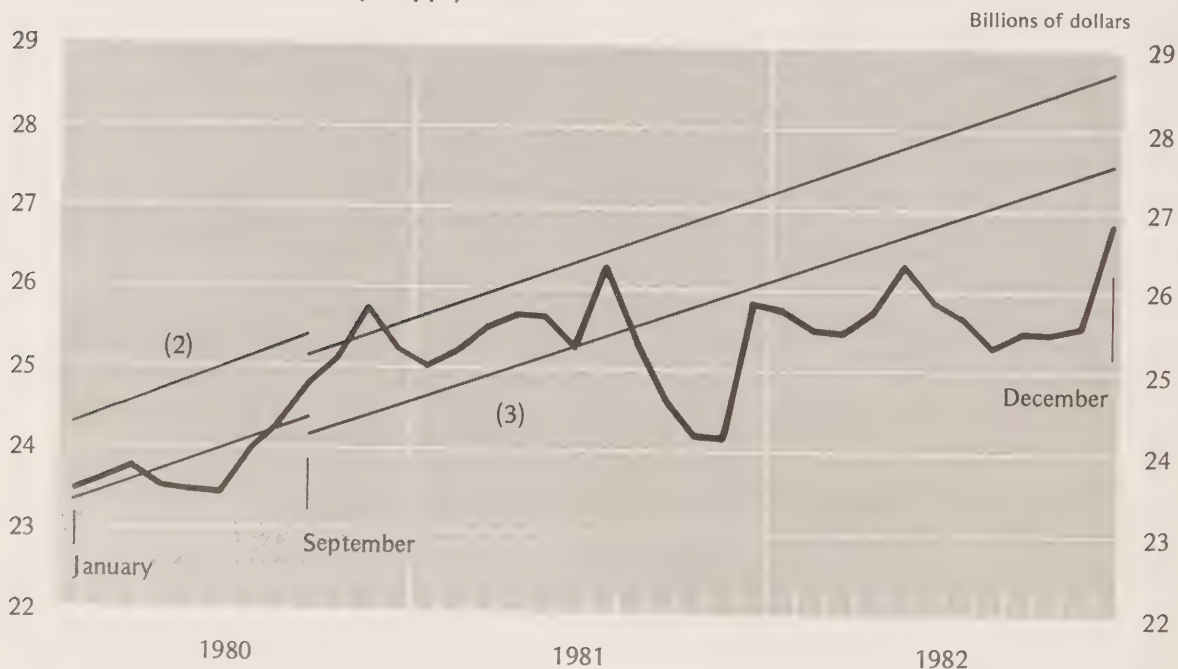
⁽²⁾ Rate of change based on average level for the period over the preceding period.

⁽³⁾ Estimates of real interest rates are obtained as differences between the 90-day commercial paper rate and the concurrent rate of increase in the seasonally adjusted CPI.

Source: Bank of Canada, *Review*; and Department of Finance.

Chart 8.1

Narrowly Defined Money Supply⁽¹⁾



⁽¹⁾ Currency outside banks plus demand deposits (M1).

⁽²⁾⁽³⁾ The parallel bands are two per cent on either side of a trend line depicting a 7-per-cent and a 6-per-cent annual increase, respectively.

Source: Bank of Canada, *Review*, monthly.

some 200 basis points higher than in January. After June, interest rates fell and continued to trend downward over the remaining months of the year. Nearly all short-term interest rates fell by about 650 basis points over the July-December period. As in 1981, short-term interest rate fluctuations during 1982 were wide by historical standards.

Financial developments in the U.S. were an important influence on Canadian interest rates during the year. In the January-June period, the Federal Reserve Board reacted to the rapid growth of the U.S. money supply at the end of 1981 by tightening credit conditions. This led to a 200-basis-point increase in U.S. short-term interest rates in the first quarter. Canadian interest rates adjusted relatively slowly and, as a consequence, Canada-U.S. short-term interest rate differentials narrowed significantly during this period. For example, the rate differential for 90-day paper, which averaged 322 basis points in the last quarter of 1981, moved to 82 basis points in the first quarter of 1982. In the second quarter, interest rate differentials widened somewhat as Canadian rates showed a large upward adjustment. In the second half of the year, U.S. interest rates fell sharply as the Federal Reserve Board adopted a more accommodating policy stance. However, U.S. rates declined much more rapidly through this period than did Canadian interest rates. As a consequence, short-term rate differentials once again widened significantly, particularly during the July-September period, as indicated in Chart 8.2.

The decline in interest rates in Canada during the second half of 1982 also reflected a marked deceleration in inflation which, measured by the month-to-month change in the CPI, averaged 0.5 per cent per month during the second half of 1982 compared to monthly increases of 1 per cent in the first half of the year. In addition, the strength of the Canadian dollar resulting from an improvement in the current account and favourable long-term capital flows allowed further declines in interest rates.

Long-term Interest Rates

The yields on long-term securities fell during the first five months of 1982, rose significantly

between May and June and then declined sharply over the remaining months of the year (see Chart 8.3). On balance, yields on long-term government bonds fell 358 basis points over the year, although at times they rose above 16 per cent while by the year end they were as low as 11.69 per cent. The underlying factors for these shifts were U.S. long-term bond yields, Canadian short-term interest rates, and domestic inflation.

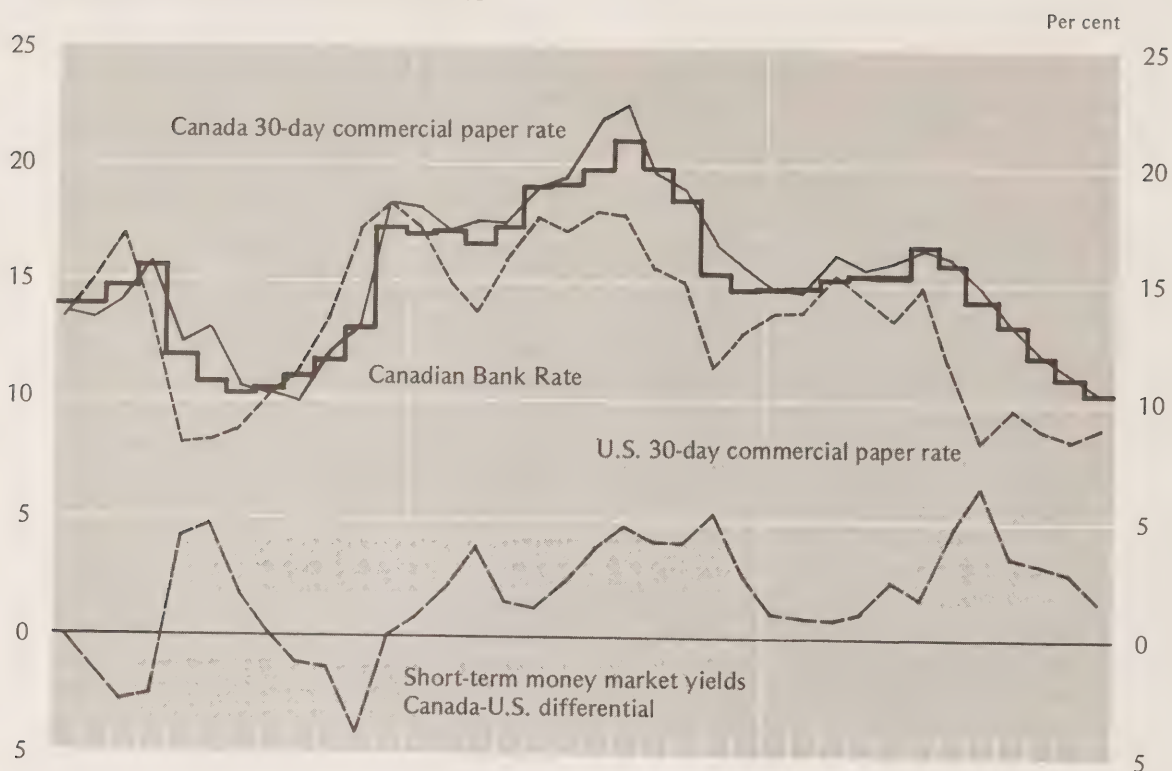
In the first five months of 1982, the fall in Canadian bond yields reflected declines in U.S. long-term rates, despite continuing domestic inflation and an increase in short-term interest rates. The declines in Canadian rates were somewhat larger than those in the U.S. as the declines in U.S. bond yields were constrained due to a sharper increase in U.S. short-term interest rates over the period November 1981 to March 1982 and heavy U.S. Treasury borrowing. As a consequence, long-term interest rate differentials between the two countries narrowed. In June, Canadian long-term interest rates rose substantially, outweighing the earlier declines of the year. For example, yields on long-term government bonds rose to 16.03 per cent in June from 14.72 per cent in May, compared with 15.94 per cent in January.

In the second half of the year, Canadian short-term rates fell sharply as domestic inflation declined significantly. At the same time, long-term bond yields in the U.S. also fell dramatically. The combination of these factors produced a 434-basis-point decline in the average yield on long-term government bonds in this period.

As shown in Chart 8.4, the yield curve on Government of Canada bonds changed considerably during 1982. At the beginning of the year, the yield curve was about flat, indicating some expectation that future short-term interest rates would stay level. The increase in short-term rates during the first half of the year, however, resulted in a slightly inverted yield curve. Towards the latter part of the year, the yield curve began to slope gradually upward as a result of sharp declines in short-term interest rates and smaller declines in long-term bond yields. The smaller decline in rates in the long end of the market might be related to continued investor uncertainty about inflation and other economic factors in the long run.

Chart 8.2

Selected Short-Term Interest Rates



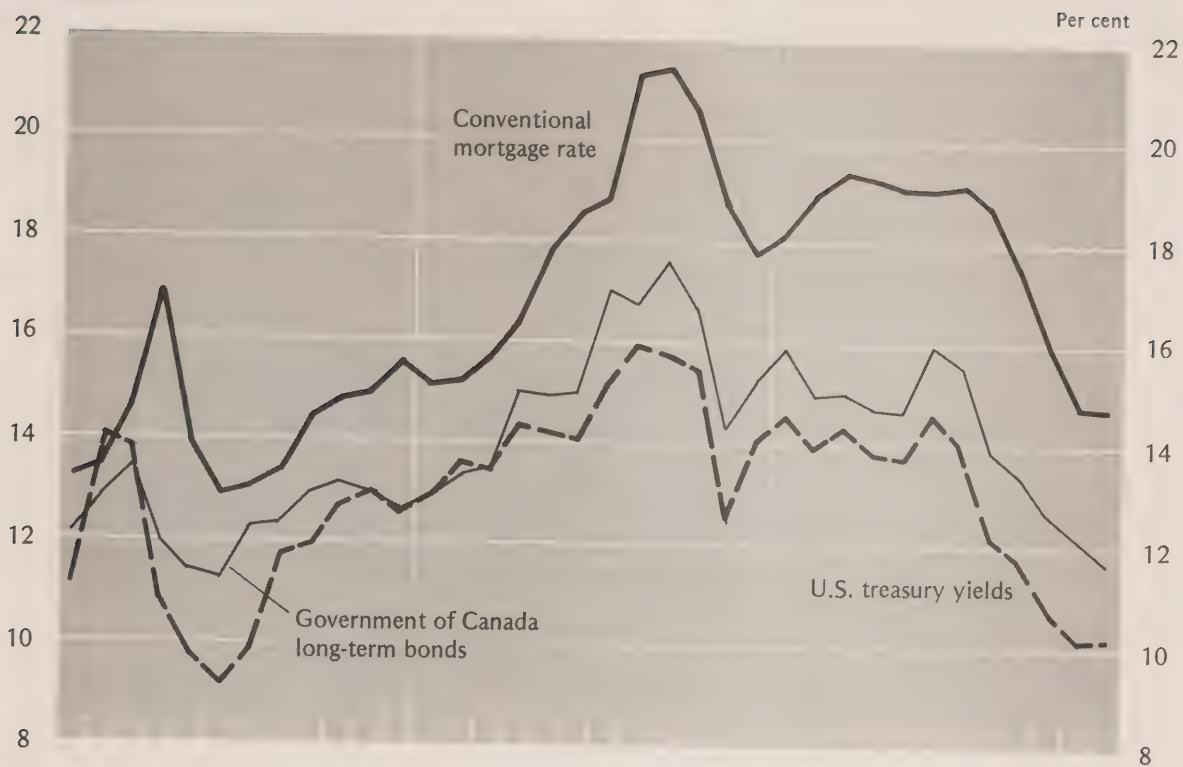
Exchange Rate



Source: Bank of Canada, *Review*, monthly.

Chart 8.3

Selected Long-Term Interest Rates



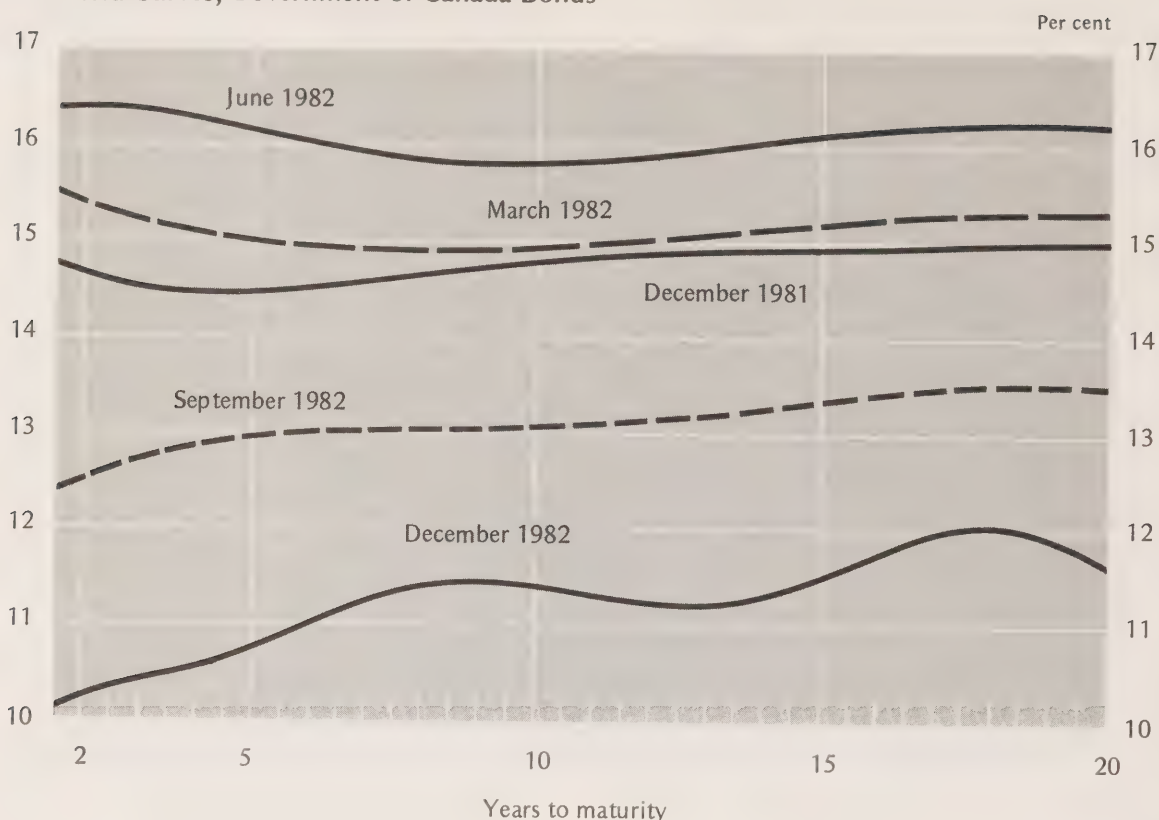
Canada — U.S. Long-Term Differential



Source: Bank of Canada, *Review*, monthly.

Chart 8.4

Yield Curves, Government of Canada Bonds ⁽¹⁾



(1) The yield curves were drawn using the month-end observation for various maturities of Government of Canada bonds.

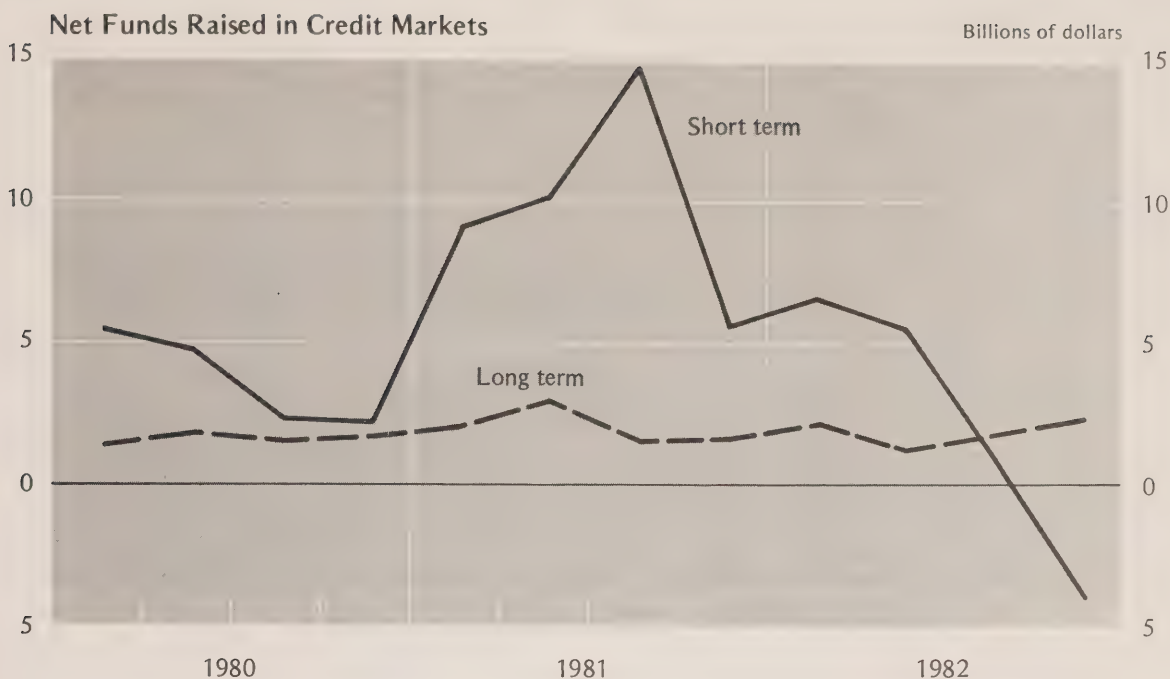
Source: Department of Finance.

Interest Rates and Inflation

Inflation-adjusted or real rates of interest may be useful indicators of the degree of tightness in financial markets, as they are generally believed to be more directly linked to decisions related to aggregate expenditure. There are many ways in which real rates can be measured. In fact, various real rate series can differ substantially, depending on which nominal interest rate is considered and how borrowers' and lenders' price expectations are measured. The definition of short-term real rates used here is the difference between the average rate on 90-day paper and the year-over-year percentage change in the seasonally-adjusted CPI. Using this measure, short-term real rates averaged 2.7 per cent during 1961-1970, a

period of relatively stable prices, while increasing inflationary pressures experienced over the 1970s resulted in real rates falling to very low levels. In fact, during the period from late 1972 to early 1977, real rates were generally negative as the inflation rate often turned out to be higher than the concurrent nominal interest rate. After that period real rates rose significantly and were especially high in the middle two quarters of 1981. During the first half of 1982, real rates averaged between 4 and 5 per cent and fell continuously thereafter, averaging as low as 1.2 per cent in the last quarter of the year. This was the lowest level of real rates since the third quarter of 1980. During the year, short-term real rates were quite volatile, although this volatility was less pronounced than in 1981.

Chart 8.5



Source: Statistics Canada, *Financial Flow Accounts*; Bank of Canada, *Review*, monthly.

Like short-term real rates, long-term real rates, measured by the difference between the average government long-term bond yield and the year-over-year percentage change in the seasonally-adjusted CPI, were also very high during 1982. However, compared to 1981, they exhibited much less volatility.

Financial Markets in 1982

The volume of funds raised in Canadian financial markets, as shown in Table 8.2, fell \$33.8 billion to \$47.9 billion, representing a sharp 41.9-per-cent decline from a year ago. The reduction in private sector borrowing was even more pronounced – down \$39.2 billion – while the federal, provincial and local governments raised larger amounts of funds in 1982. The slowdown in business sector borrowing was largely related to reduced takeover activity, although it is evident that the recession had also reduced this sector's willingness and ability to take on additional debt obligations. Demand for consumer credit was also severely affected by high unemployment and the weak growth in disposable income during the

year. Encouraged by substantially lower interest rates in the second half of the year, many borrowers lengthened their term structure of debt significantly. In addition, there was a large pickup in equity issues in the fourth quarter which led to an improvement in debt-equity ratios. As indicated in Table 8.3, the volume of funds raised in long-term markets during 1982 was \$27.2 billion, only \$2.0 billion below the 1981 level. Short-term borrowing, however, fell \$31.5 billion to \$21.1 billion.

Non-financial Business Sector

The weak demand for credit by the non-financial business sector, as shown in Table 8.4, was a reflection of a slower pace of takeovers and a continuing sharp reduction in investment. Profits also fell substantially, recording a larger decline than in investment. A total of \$15.6 billion was raised – the smallest amount since 1978 and substantially below the \$43.3 billion raised in 1981. Funds raised in the short-term market through various instruments by this sector were particularly low in the last two quarters of the year, as shown in Table 8.5.

Table 8.2
Credit Expansion

	1979	1980	1981	1982
(net flows, billions of dollars)				
Private sector	37.5	35.7	58.5	19.3
Loans to persons	5.1	4.7	4.2	- 1.3
Mortgages ⁽¹⁾	13.5	9.9	6.4	3.5
Non-financial business ⁽²⁾	18.9	21.1	47.9	17.1
Government sector	13.0	17.9	23.2	28.6
Government of Canada	8.3	11.4	12.7	19.1
Provinces and municipalities ⁽³⁾	4.7	6.5	10.5	9.5
Total funds raised	50.5	53.6	81.7	47.9
(as a percentage of GNP)	(19.1)	(18.3)	(24.5)	(13.4)

⁽¹⁾ Does not include mortgage borrowing from the government sector.

⁽²⁾ Excludes mortgage borrowing.

⁽³⁾ Excludes borrowing from CPP and QPP.

Source: Bank of Canada, *Review*; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

Table 8.3
Credit Expansion by Instrument

	1979	1980	1981	1982
(net flows, billions of dollars)				
Short-term instruments	20.4	24.1	52.6	21.1
Loans to persons	5.1	4.7	4.2	- 1.3
Chartered bank business loans	12.2	10.0	26.2	0.1
Foreign currency loans	0.5	2.1	11.4	3.0
Treasury bills and short-term paper	3.5	8.3	2.0	12.0
Canada Savings Bonds	- 1.3	- 1.3	8.1	8.0
Loans to provinces and municipalities	0.4	0.3	0.7	- 0.7
Long-term instruments ⁽¹⁾	30.0	29.7	29.2	27.2
Marketable bonds	13.0	15.8	18.7	20.3
Mortgages ⁽²⁾	13.5	9.9	6.4	3.5
Equities	3.5	4.0	4.1	3.4
Other instruments	0.1	- 0.2	- 0.1	- 0.4
Total funds raised	50.5	53.6	81.7	47.9

⁽¹⁾ Excludes borrowing by private financial institutions. Data for 1982 are estimates of the Department of Finance.

⁽²⁾ Does not include mortgage borrowing from the government sector.

Source: Bank of Canada, *Review*; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

Table 8.4
Private Non-Financial Business Borrowing

	1979	1980	1981	1982
	(net flows, billions of dollars)			
Total	19.6	21.7	43.3	15.6
Short-term	14.2	14.8	39.6	9.6
Bank loans	12.7	12.2	37.7	3.1
(of which foreign currency loans booked in Canada)	(0.5)	(2.1)	(11.4)	(3.0)
Commercial paper and bankers' acceptances ..	1.5	2.6	1.9	6.5
Long-term	4.7	6.3	8.3	7.5
Bonds	1.2	2.3	4.2	4.1
Equities	3.5	4.0	4.1	3.4
Direct investment from abroad	0.7	0.6	- 4.6	- 1.5

Note: Data may not add due to rounding. Data for 1982 are estimates of the Department of Finance.
Source: Bank of Canada, *Review*.

Table 8.5
Selected Credit Measures

	Net flows						Outstanding stock December 1982
	1981	1982	Quarterly 1982				
			Q1	Q2	Q3	Q4	
(billions of dollars)							
Chartered banks							
Business loans	26.3	0.1	1.1	1.2	0.7	− 3.0	89.1
Foreign currency	11.4	3.0	1.8	1.7	− 0.7	0.3	23.9
Bankers' acceptances	1.2	6.7	5.2	0.7	1.0	− 0.2	12.5
Total commercial paper	0.7	− 0.2	0.3	0.3	− 0.3	− 0.5	2.4
Total of above	39.6	9.6	8.4	3.9	0.7	− 3.4	127.9

Source: Bank of Canada, *Review*.

Firms raised slightly less funds in the long-term market in 1982 than in 1981. However, due to lower overall credit demand, long-term funds as a percentage of total borrowing increased. Funds raised through short-term instruments amounted to \$9.6 billion, representing two-thirds of total funds raised. This is in sharp contrast to 1981 when business loans and other short-term borrowing amounted to \$39.6 billion, 82 per cent of

total business borrowing excluding direct investment in Canada.

Bond financing by the non-financial business sector amounted to \$4.1 billion in 1982. Activity in the domestic bond market during the year was adversely affected both by uncertainty about inflation and by a relatively large number of downgradings of corporate bonds which took

place due to high debt-equity ratios and poor profits. However, over the July-December period, the corporate bond situation improved somewhat as a result of lower interest rates. A large proportion of the long-term borrowing consisted of foreign issues as corporations raised a record \$3.2 billion abroad. The non-financial business sector raised only \$3.4 billion in equity markets, mostly through retractable preferred shares. Most of the activity in the equity market took place in the last quarter of the year.

Securities Market

Total net sales of all forms of marketable securities fell to \$24.6 billion from \$25.1 billion in 1981 (see Table 8.6). Net borrowing through long-term instruments, after falling during the second quarter to the lowest level since late 1979, rebounded to somewhat more normal levels in the last half of the year, while the Canadian money market continued to provide substantial amounts of funds to Canadian borrowers.

Equity markets in Canada continued to register major declines in virtually all areas during the first three quarters of 1982 but showed significant improvement in the fourth quarter. The dollar value of the shares traded on all Canadian stock exchanges fell 32.1 per cent to \$22.1 billion while the volume declined 3.3 per cent to just under 3.3 billion shares. Net new issues of equities at \$3.8 billion were down sharply compared with recent years. A large part of the new issues emerged in the last quarter of the year when interest rates fell substantially and stock prices rose sharply.

Personal Sector

Consumer credit balances outstanding decreased 3.6 per cent to \$46 billion in 1982, similar to the decline in expenditure on consumer durables (Table 8.7). The reluctance of individuals to increase their level of indebtedness in an uncertain environment was a major factor in the weak demand for durable goods last year.

Table 8.6
Net New Issues of Marketable Bonds and Stocks

	1979	1980	1981	1982
	(net flows, billions of dollars)			
Federal bonds ⁽¹⁾				
Canada	6.9	7.2	4.2	4.5
Total	7.6	7.2	4.6	5.8
Provincial ⁽²⁾ and municipal bonds				
Canada	2.8	4.5	3.2	3.8
Total	4.2	4.6	8.6	9.7
Corporate and other bonds				
Canada	1.3	1.7	2.0	0.8
Total	2.8	3.9	6.3	5.3
Stocks				
Canada	4.4	4.9	5.5	3.6
Total	4.5	5.4	5.7	3.8
Total ⁽³⁾				
Canada	15.3	18.3	14.9	12.8
Total	19.0	21.1	25.1	24.6

⁽¹⁾ Excludes securities held in government accounts, Treasury bills and savings bonds.

⁽²⁾ Excludes savings bonds, bonds bought by provincial accounts and Canada Pension Plan. Includes bonds bought by the Caisse de dépôt et de placements de Québec.

⁽³⁾ Includes issues by financial corporations.

Source: Bank of Canada, *Review*.

Table 8.7
Loans to Persons

	1979	1980	1981	1982
(net flows, billions of dollars)				
Consumer credit				
Chartered banks	3.6	3.6	2.6	- 1.3
Other deposit-accepting institutions ⁽¹⁾	1.1	0.8	0.0	- 0.1
Other lenders ⁽²⁾	0.1	0.2	1.0	- 0.3
Total	4.9	4.5	3.7	- 1.7
Other loans to persons ⁽³⁾	0.2	0.2	0.6	0.4
Total loans to persons ⁽⁴⁾	5.1	4.7	4.2	- 1.3
(per cent)				
Percentage change in:				
Total consumer credit	14.0	11.3	8.4	- 3.6
Consumer expenditure	11.4	11.9	13.4	7.9
Consumer expenditure on durable goods	13.0	6.7	10.0	- 5.1

Note: Data may not add due to rounding. Data for 1982 are estimates of the Department of Finance.

(1) Credit unions and caisses populaires, Quebec savings bank, trust and mortgage loan companies.

(2) Department stores, sales finance and consumer loan companies and life insurance companies.

(3) Canada Savings Bond loans and trust and mortgage loan company secured loans.

(4) Excludes personal loans to purchase marketable securities and home improvement loans.

Source: Bank of Canada, *Review*; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

In the first half of 1982, the demand for mortgages was quite weak as a result of the high cost of mortgage financing, the low rate of new house-building activity and slow turnover in the market for existing houses. However, mortgage demand improved somewhat during the second half of the year in response to government assistance programs and a significant decline in mortgage interest rates. The supply of funds allocated to longer-term mortgage loans remained fairly tight through most of 1982 but the situation improved as interest rates fell sharply during the last half of the year. By the end of the year, as much as 85 per cent of the mortgages issued by some trust companies were for three- and five-year terms, whereas earlier in 1982 the same proportion was accounted for by one-year term loans.

Some 650,000 mortgages were renewed last year, with the banks alone facing about 250,000 renewals compared to 100,000 renewals in 1981. Prepayments remained high by historical standards as most homeowners who renewed their mortgages in 1982 used savings and other resources to reduce their debt as much as possible. Many borrowers who renewed their mortgages also shortened amortization periods.

Chartered Banks

Total Canadian dollar major assets of the banking system grew only 1 per cent in 1982, down sharply from 22.8 per cent in the previous year. The net increase in business lending virtually halted after the record levels of 1981 as firms delayed or cancelled investment plans in an attempt to weather the recession (Tables 8.9 and 8.5). Corporations also shifted to other forms of financing, particularly in the second half of the year. Moreover, consumer credit declined as high personal loan rates and uncertain employment prospects forced many individuals to refrain from purchasing large durable goods. Lower mortgage rates, especially in the fourth quarter of the year, led to a small increase in mortgage lending in 1982. However, despite a \$300 million increase in residential mortgage lending, the depressed levels of consumer credit and business loan demand resulted in a \$100 million decline in less liquid assets of the banking system in 1982. The slow rate of credit expansion, the weakness of the economy and increased provisions for loan losses adversely affected the earnings of the chartered banks in 1982.

Table 8.8
Mortgage Lending

	1979	1980	1981	1982
	(net flows, billions of dollars)			
Private lending				
Chartered banks ⁽¹⁾	4.3	3.3	2.1	0.4
Trust and non-bank mortgage loan companies ⁽²⁾	4.2	2.6	0.7	0.6
Credit unions and caisses populaires	2.3	1.6	0.7	0.0
Insurance and pension institutions	2.3	2.1	2.1	1.7
Other private lenders ⁽³⁾	0.4	0.3	0.8	1.1
Sub-total	13.5	9.9	6.4	3.8
Government sector lending	0.3	0.9	1.3	1.3
Total ⁽⁴⁾	13.8	10.8	7.7	5.1

Note: Data may not add due to rounding. Data for 1982 are estimates of the Department of Finance.

(1) Includes chartered bank mortgage loan affiliates. Excludes non-residential mortgage loans.

(2) Excludes chartered bank mortgage loan affiliates.

(3) Mutual funds, fire and casualty insurance companies, mortgage investment trust corporations, sales finance and consumer loan companies, Quebec savings banks, non-financial corporations and other private financial institutions.

(4) Excludes mortgage lending by persons and unincorporated businesses.

Source: Bank of Canada, *Review*; Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

Table 8.9
Chartered Bank Assets

	1979	1980	1981	1982
	(billions of dollars)			
Canadian liquid assets	0.6	- 0.1	0.3	1.7
Treasury bills	0.9	0.7	0.4	1.9
Other	- 0.3	- 0.8	- 0.1	- 0.2
Less liquid assets	20.6	17.7	34.2	- 0.1
Personal loans	3.6	3.6	2.6	- 1.3
Business loans	12.2	10.0	26.2	0.1
Mortgages	4.3	3.3	2.1	0.3
Other loans	0.1	0.4	0.9	- 0.5
Corporate securities	- 0.4	- 0.1	1.7	0.3
Other assets ⁽¹⁾	0.8	0.5	0.7	1.1
Total Canadian dollar major assets	21.2	17.6	34.5	1.7
(Percentage change)	(18.9)	(13.2)	(22.8)	(1.0)
Foreign currency loans to residents ⁽²⁾	0.8	1.9	11.9	2.9
Government of Canada ⁽²⁾	- 1.3	0.4	- 0.7	0.0
Other ⁽²⁾	2.1	1.5	12.6	2.9
Foreign currency securities of residents ⁽²⁾	0.1	- 0.3	0.8	1.9

Note: Data may not add due to rounding.

(1) "Other assets" includes non-residential mortgages.

(2) Foreign currency data are corrected to exclude the effect of changes in the exchange rate on the stock of series.

Source: Bank of Canada, *Review*; Statistics Canada, *Financial institutions*, cat. 61-006; and Department of Finance.

Reflecting the world-wide recession and the increased risk and uncertainty in international financial markets, growth of foreign assets and liabilities of Canadian chartered banks slowed considerably during 1982.

Non-bank Financial Institutions

Total assets of the insurance companies and pension funds increased 13.2 per cent or

\$13.7 billion in 1982, as shown in Table 8.10. During 1982, these institutions continued to diversify their investment portfolios because of the slow growth in the demand for mortgages. Holdings of equities increased \$2.1 billion and of bonds and short-term paper \$6.6 billion. Uncertain market conditions also caused these institutions to adopt a more liquid position as they substantially increased their holdings of cash and short-term assets. Life insurance policy loans

Table 8.10

Change in Assets of Insurance Companies and Pension Institutions⁽¹⁾

	1979	1980	1981	1982
	(billions of dollars)			
Currency and deposits	0.5	0.6	1.3	1.6
Loans	0.3	0.5	0.7	0.5
Mortgages	2.3	2.1	2.1	1.7
Bonds and short-term paper	7.0	6.6	6.5	6.6
Equities	0.8	2.4	2.3	2.1
Other assets	0.5	0.9	0.7	1.2
Total	11.3	13.1	13.6	13.7
(Percentage change)	(17.2)	(17.0)	(16.5)	(13.2)

Note: Data may not add due to rounding. Data for 1982 are estimates of the Department of Finance.

⁽¹⁾ Includes life insurance companies and trustee pension plans.

Source: Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002; and Department of Finance.

Table 8.11

Change in Assets of Non-Bank Deposit-Accepting Institutions⁽¹⁾

	1979	1980	1981	1982
	(billions of dollars)			
Currency and deposits	0.0	0.4	1.9	3.4
Consumer credit	1.1	0.8	0.5	- 0.1
Other loans	0.6	0.6	0.8	0.1
Mortgages	8.0	7.1	6.4	4.2
Canadian marketable securities	1.3	3.2	1.2	1.1
Other assets	0.1	1.0	0.9	0.9
Total assets	11.1	13.1	12.3	9.6
(Percentage change)	(17.5)	(17.7)	(14.2)	(9.6)
Deposits	9.3	10.7	9.7	8.6
(Percentage change)	(16.4)	(16.6)	(13.5)	(10.5)

Note: Data may not add due to rounding. Flow data for 1982 are estimates of the Department of Finance.

⁽¹⁾ Includes trust and mortgage loan companies, credit unions and caisses populaires and Quebec Savings Bank.

Source: Bank of Canada, *Review*; and Statistics Canada, *Financial Flow Accounts*, quarterly, cat. 13-002.

increased rapidly due to the wide differential between the interest rate charged on policy loans and current market interest rates, but these loans became less attractive in the second half of the year as interest rates declined.

The general slowdown in the demand for mortgages continued to affect the asset growth of the near banks in 1982. As shown in Table 8.11, near-bank assets increased \$9.6 billion or 9.6 per cent. The trust and mortgage loan companies, like other major mortgage lenders, have been

increasing their efforts to reduce reliance on mortgages and increase personal and commercial loans which are often on a variable interest rate basis. Similarly, the credit unions and caisses populaires had been under significant liquidity pressure because of their portfolios of fixed-term mortgages. During 1982, these institutions experienced improved economic performance because of relatively lower interest rates in the second half of the year and improved matching of assets and liabilities.

9. International Comparisons

The most significant feature of developments in 1982 was a decline in real output in member countries of the Organization for Economic Cooperation and Development (OECD). Continuing low demand in several OECD countries was coupled with a rise in unemployment. This factor, together with a reduction in energy and raw materials prices, contributed significantly to the considerable drop in the rate of inflation in 1982. It should, however, be noted that the extent of these developments differed among countries. After experiencing the largest increase in real output among the seven major OECD countries in 1981, Canada recorded the biggest drop in output in 1982. Canada's rate of inflation remained in the double-digit range in 1982, though lower than in 1981, partly because of the need to absorb large increases in energy prices.

Efforts by the major OECD countries to reduce budget deficits were hampered by the economic situation in 1982. Recession-related declines in revenues, mainly through the working of automatic stabilizers, and increases in expenditures, particularly in unemployment insurance benefits and interest payments, increased budget deficits expressed as a proportion of GNE.

Real Output Growth

After posting a 3.1-per-cent increase in real output in 1981, the highest rate among the seven large OECD members, Canada showed a 4.8-per-cent drop in real GNE in 1982 (see Table 9.1). The average decline in output for the seven major OECD countries was only 0.5 per cent. The sharp decline in Canada was primarily due to a marked drop in investment. Real GNE declined 1.8 per cent in the U.S., the second largest decline after Canada's. In Germany, real output fell 1.3 per cent and it remained fairly stable in Italy and the U.K. France and Japan showed increases of 1.5 and 2.5 per cent in real output, respectively. On the whole, economic activity during the second half of 1982 deteriorated further in the OECD countries.

Labour Markets

As real output fell, employment declined and the unemployment rate rose in the OECD countries in

1982. Unemployment rose above 30 million compared to 25 million in 1981. Each of the seven major OECD countries posted a higher unemployment rate in 1982, and the average unemployment rate for the group rose nearly 2 percentage points from 1981. In Canada, the unemployment rate increased to 11.0 per cent in 1982, the highest after the 12.0 per cent recorded by the U.K. The unemployment problem became more acute in the second half of 1982, reflecting a delayed response to the drop in output recorded in the preceding period.

Inflation

In 1982, inflation, as measured by the annual percentage change in the consumer price index, continued the decline begun in the second half of 1981. In the seven major OECD countries, the inflation rate for the year averaged 6.5 per cent, compared to 10.0 per cent in 1981. This decline may be attributed to several factors: a sharp drop in raw materials prices, a drop in world oil prices, weak domestic markets, a slower advance in nominal wages and a drop in profit margins.

The average inflation rate in 1982 was 10.8 per cent in Canada, compared to 12.5 per cent in 1981. In the U.S., the decline was much more marked, to 6.2 per cent from 10.3 per cent. The other major OECD countries also posted substantial decreases in inflation. Inflation did not decline as much in Canada as in the U.S. because of the delayed increase in Canadian energy prices and because nominal wage growth did not slow as much in Canada as in the U.S.

Labour Productivity

In 1982, labour productivity increased an average of 0.4 per cent in the seven major OECD countries, less than the average increase of 1.2 per cent in 1981. This decline may be explained by the normal tendency of labour productivity to weaken in cyclical downturns. In Canada, labour productivity fell 1.6 per cent in 1982, the biggest decline of any of the seven major OECD countries. The U.S. experienced a decline of 0.9 per cent in 1982. The biggest increase in productivity among the seven countries was in the U.K.

Table 9.1

Evolution of Selected OECD Economic Indicators

	Average 1966-1973	Average 1974-1978	Average 1979-1982	1979	1980	1981	1982
	(per cent)						
Growth of Real GNP/ GPD ⁽¹⁾⁽⁴⁾							
United States	3.9	2.8	0.6	2.8	-0.4	1.9	-1.8
Japan	10.7	3.7	4.2	5.9	5.4	3.0	2.5
Germany	4.3	2.0	1.2	4.4	1.8	-0.3	-1.3
France	5.4	3.1	1.5	3.3	1.1	0.2	1.5
United Kingdom	2.9	1.4	-0.5	1.6	-2.0	-2.2	0.5
Italy	5.4	2.1	2.4	4.9	3.9	-0.2	0.8
Canada	5.5	3.2	0.4	2.9	0.5	3.1	-4.8
Seven major countries	5.4	2.7	1.1	3.2	1.2	1.3	-0.5
Unemployment rate ⁽²⁾⁽⁴⁾							
United States	4.5	7.0	7.6	5.9	7.2	7.6	9.7
Japan	1.3	1.9	2.2	2.1	2.0	2.2	2.4
Germany	1.4	3.7	5.1	4.7	3.3	4.7	7.7
France	2.7	5.3	7.5	7.3	6.3	7.4	8.9
United Kingdom	2.6	4.6	8.5	5.1	6.5	10.2	12.0
Italy	5.7	7.2	8.3	8.3	7.5	8.3	9.1
Canada	4.8	7.2	8.4	7.5	7.5	7.6	11.0
Seven major countries	3.4	5.5	6.6	5.4	5.8	6.6	8.4
Consumer price inflation ⁽³⁾⁽⁴⁾							
United States	4.4	8.0	10.3	11.3	13.5	10.3	6.2
Japan	6.2	11.5	4.7	3.6	8.0	4.9	2.1
Germany	3.9	4.8	5.2	4.1	5.5	5.9	5.3
France	5.1	10.7	12.4	10.8	13.6	13.4	11.6
United Kingdom	6.1	16.2	12.9	13.4	18.0	11.9	8.1
Italy	4.5	16.7	18.0	14.8	21.2	19.5	16.3
Canada	4.3	9.2	10.6	9.1	10.2	12.5	10.8
Seven major countries	4.7	9.5	9.6	9.3	12.2	10.0	6.5
Productivity growth ⁽¹⁾⁽⁴⁾							
United States	1.5	0.3	-0.2	-0.1	-0.9	0.8	-0.9
Japan	9.3	3.2	2.8	4.5	3.1	2.1	1.5
Germany	4.3	2.9	1.2	3.1	0.9	0.5	0.5
France	4.8	2.8	2.1	4.2	1.1	1.0	2.0
United Kingdom	3.1	1.1	1.7	0.7	-0.3	3.3	3.5
Italy	5.6	0.0	1.9	3.9	3.1	-0.5	1.0
Canada	2.5	0.6	-1.1	-1.0	-2.2	0.5	-1.6
Seven major countries	3.9	1.5	0.9	1.7	0.4	1.2	0.4

(1) GNP figures are given for the United States, Japan, Germany and Canada, but GDP figures for France, the United Kingdom and Italy.

(2) The unemployment rates reported are as defined by each country.

(3) As measured by annual change in the consumer price index.

(4) Defined as real output per worker. The averages are calculated using a weighting formula to adjust for the respective share of GNP/GDP in 1981.

Sources: OECD, *Economic Outlook*, December 1982, *Main Economic Indicators*, updated in some cases, and *National Accounts*, Volume II, 1982; Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001, *The Labour Force*, monthly, cat. 71-001, and *Consumer Prices and Price Indexes*, quarterly, cat. 62-010; U.S. Department of Commerce, *Survey of Current Business*; U.S. Department of Labour, *Monthly Labour Review*.

Interest and Exchange Rates

The trend toward lower interest rates in 1982 (Table 9.2), especially in the second half of the year, was closely connected to developments in the U.S., where interest rates fell due mainly to the substantial decline in inflation and the weakness of the economy. Interest rates also fell in Canada particularly in the second half of the year due to the decline in domestic inflation and lower U.S. rates. They remained higher than in the U.S., however, because Canada's inflation rate was higher. Declines in interest rates followed different patterns in every country, depending on relative positions of current and capital accounts in the balance of payments, each country's relative inflation situation and efforts made by authorities to support this exchange rate. Interest rates

remained especially high in Italy and France. Japan also posted record high interest rates.

The Canadian dollar depreciated somewhat against the U.S. dollar but strengthened against other currencies (Table 9.2). The real effective exchange rate for the Canadian dollar advanced slightly, from 91.4 in 1981 to 91.8 in 1982 (based on March 1973 equalling 100). Among the currencies of the seven major OECD countries, the yen and the pound sterling depreciated the most, while the U.S. dollar appreciated the most.

Balance of Payments

The current account deficit of the OECD countries taken as a whole rose to U.S. \$39.1 billion in

Table 9.2

Evolution of Interest Rates and Exchange Rates for the Large OECD Countries

	1978	1979	1980	1981	1982	1982			
						March	June	Sept.	Dec.
	(per cent)								
Representative short-term money market interest rates ⁽¹⁾									
United States.....	8.26	11.26	13.17	15.68	11.95	14.24	15.19	10.26	8.81
Japan	4.50	6.06	10.75	7.30	6.85	6.42	7.19	7.05	6.90
Germany.....	3.69	6.88	9.54	12.24	8.67	9.50	9.40	8.00	6.20
France.....	8.01	9.73	12.20	15.58	14.55	15.87	14.87	13.81	12.75
United Kingdom	9.36	13.84	16.55	13.99	12.15	13.56	13.00	10.56	10.50
Italy	11.50	12.25	17.49	19.88	19.76	20.62	20.38	18.50	19.00
Canada.....	9.01	12.05	13.23	18.25	14.23	16.15	17.20	12.95	9.95
	(March 1973 = 100)								
Indexes of real effective exchange rates ⁽¹⁾									
United States.....	96.3	96.3	98.0	108.7	117.4	114.4	118.5	119.8	119.1
Japan	106.9	95.7	93.4	94.3	83.5	85.7	82.5	79.7	85.7
Germany.....	103.5	103.9	100.8	96.6	99.7	98.1	99.7	100.4	102.6
France.....	97.4	98.9	100.6	98.9	96.3	98.4	96.3	92.5	95.4
United Kingdom	106.3	118.4	137.9	140.9	135.2	135.6	136.2	138.1	130.1
Italy	89.8	93.0	95.9	91.2	89.9	90.0	88.9	90.0	90.7
Canada.....	92.1	92.1	91.3	91.4	91.8	92.4	89.4	92.9	91.2

Note: According to the source, "The index of the effective exchange rate for a currency is a measure of that currency's trade-weighted average appreciation or depreciation vis-a-vis the currencies of 15 other major countries. The exchange rates used in the construction of this index are the averages of daily noon spot exchange rates in New York... The trade weights used are based on 1976 bilateral trade in manufactures. The index of the real effective exchange rate is the index of the effective exchange rate adjusted for inflation differentials which are measured by wholesale (or producer) prices of non-food manufactures. Exchange rates and trade weights used in the construction of this index are the same as those used for effective exchange rate indices."

⁽¹⁾ Annual figures are calculated using monthly averages. Monthly figures are month-end data.

Source: Morgan Guaranty Trust Company of New York, *World Financial Markets*.

1982, from U.S. \$31.0 billion in 1981 (Table 9.3). This increase resulted largely from a substantial deterioration of the U.S. current account balance, primarily due to the erosion of U.S. competitiveness following the appreciation of the U.S. dollar. Canada's current account balance expressed in U.S. dollars improved substantially, moving from a deficit of U.S. \$4.5 billion in 1981 to a surplus of U.S. \$2.2 billion in 1982. This dramatic turnaround was caused mainly by the rise in the trade surplus which followed the sharp drop in imports associated with weaker domestic demand. The current account balance as a proportion of GNP swung to a surplus of 0.7 per cent in 1982 from a deficit of 1.6 per cent in 1981. Within the OECD, current account balances varied significantly from country to country. Three of the seven major countries – the U.S., France and the U.K. – recorded substantial deterioration, however, contributing to increasing the overall deficit for the seven major countries by about U.S. \$10 billion. As a percentage of GNE/GDP, the current account deficits for the

seven major countries and the OECD as a whole remained stable, at 0.1 and 0.5 per cent respectively.

Budget Balances

In 1980, the last year for which complete data are available for all major OECD countries, the Canadian federal government deficit as a percentage of GNP was smaller than those of Italy and Japan but larger than those of France, Germany, the U.K. and the U.S. More recent data show that, while the decline in the deficit expressed as a percentage of GNP was larger in 1981 for the Canadian federal government than for the U.S. federal government, this ratio more than doubled in the U.S. and Canada between 1981 and 1982.

Comparisons of budget balances at the total government level are more meaningful than comparisons of central government budget balances because of differing divisions of responsibility

Table 9.3
Current Account Balances of OECD Countries

	1975	1976	1977	1978	1979	1980	1981	1982
(billions of U.S. dollars)								
United States	18.3	4.4	-14.1	-14.8	-0.5	1.5	4.5	-8.8
Japan	-0.7	3.7	10.9	16.5	-8.8	-10.7	4.8	6.5
Germany	4.0	3.9	4.1	9.0	-6.0	-16.3	-7.3	-0.3
France	2.7	-3.4	-0.4	7.0	5.2	-4.2	-4.7	-11.5
United Kingdom	-3.7	-1.6	0.0	2.0	-1.8	6.7	12.1	4.5
Italy	-0.6	-2.8	2.5	6.2	5.5	-9.7	-8.1	-5.5
Canada	-4.7	-3.9	-4.0	-4.3	-4.2	-0.9	-4.5	2.2
Seven major countries	15.3	0.3	-1.0	21.6	-10.6	-33.6	-3.2	-12.9
Total OECD	5.1	-15.3	-21.7	12.3	-27.7	-69.1	-31.0	-39.1
(per cent of GNP/GDP)								
United States	1.2	0.3	-0.7	-0.7	-0.1	0.1	0.2	-0.3
Japan	-0.1	0.7	1.6	1.7	-0.9	-1.1	0.5	0.6
Germany	1.0	0.9	0.8	1.4	-0.8	-1.9	-1.1	0.0
France	0.0	-1.5	-0.7	0.6	0.0	-1.4	-1.4	-2.2
United Kingdom	-2.0	-1.7	-0.1	0.5	0.0	1.6	2.4	0.9
Italy	-0.2	-1.5	1.1	2.4	1.7	-2.5	-2.3	-1.6
Canada	-3.1	-2.3	-2.2	-2.3	-2.1	-0.4	-1.6	0.7
Seven major countries	0.3	-0.1	-0.1	0.3	-0.3	-0.5	-0.1	-0.1
Total OECD	0.1	-0.4	-0.4	0.2	-0.4	-0.9	-0.4	-0.5

Source: OECD, *Economic Outlook*, December 1982 and *Main Economic Indicators*, updated in some cases with more recent information; Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, quarterly, cat. 67-001; and *National Income and Expenditure Accounts*, quarterly, cat. 13-001; U.S. Department of Commerce, *Survey of Current Business*.

Table 9.4

**An International Comparison of Central and Total Government Budget Balances
as Percentages of Gross Domestic Product or Gross National Product (GDP/GNP)**

	Canada	United States	United Kingdom	France	Germany	Italy	Japan
	(per cent)						
Central Government							
Average, 1967-1974.....	0.2	-1.0	1.7	0.6	-0.2 ⁽²⁾	-3.7 ⁽²⁾	0.7 ⁽²⁾
1975	-2.3	-4.6	-3.3	-1.9	-3.0	-7.4	-4.2
1976	-1.8	-3.1	-4.0	-0.1	-2.3	-4.6	-4.5
1977	-3.5	-2.4	-2.8	-0.7	-1.5	-4.9	-5.5
1978	-4.6	-1.4	-3.6	-1.3	-1.6	-11.0	-6.2
1979	-3.5	-0.7	-2.6	-0.9	-1.5	-9.2	-5.6
1980	-3.5	-2.3	-2.8	-0.0	-1.7	-7.3	-5.5
1981	-2.4	-2.0	—	—	—	—	—
1982 ⁽³⁾	-6.0	-4.8	—	—	—	—	—
Total Government ⁽¹⁾							
Average, 1967-1974.....	0.9	-0.5	-0.9	0.5	-0.2 ⁽²⁾	-6.3 ⁽²⁾	0.9 ⁽²⁾
1975	-2.5	-4.2	-4.9	-2.2	-5.8	-11.7	-2.8
1976	-1.7	-2.1	-5.0	-0.5	-3.6	-9.0	-3.8
1977	-2.4	-0.9	-3.4	-0.8	-2.4	-8.0	-3.7
1978	-3.2	0.0	-4.2	-1.9	-2.5	-9.7	-5.5
1979	-1.9	0.6	-3.1	-0.7	-2.7	-9.3	-4.8
1980	-2.1	-1.3	-3.2	0.3	-3.1	-8.3	-4.2
1981	-1.2	-1.0	-2.0	-1.6	-4.0	-11.9	-3.9
1982 ⁽³⁾	-5.3	-3.8	-2.0	-2.9	-4.1	-12.2	-3.3

(1) Includes central and local governments and the social security system, but excludes public corporations.

(2) The average is for 1970-1974 instead of 1967-1974.

(3) OECD estimates except for Canada and the United States which are actual.

Source: OECD, *National Accounts for OECD Countries 1962-1980*, Volume II; *Economic Outlook*, July 1982; *Economic Outlook*, December 1982; Statistics Canada, *National Income and Expenditure Accounts*, quarterly, cat. 13-001; Executive Office of the President, Council of Economic Advisers, *Economic Report of the President*, updated in some cases with more recent information.

among levels of government in different countries. Table 9.4 shows that most of the major OECD countries ran deficits in the range of 2 to 5 per cent of GDP/GNP during the periods of more severe cyclical weakness in the mid-1970s. By 1981 Canada and the U.S. had reduced their deficits to relatively low levels while the deficits of the European countries were tending to rise on account of the developing cyclical weakness in Europe. In 1982 deficits increased substantially in Canada and the U.S.; however, the total government deficit in Canada, as a percentage of GNP, was similar to that experienced in the U.S., the U.K., Germany and Japan in their earlier periods of cyclical weakness. While the total Canadian government sector deficit was somewhat bigger in 1982 than the previous high in 1978, the economy was far weaker in 1982 than it was in 1978. Finally, in comparing the data across countries for 1982, it should be noted that the figures

for the five countries other than Canada and the U.S. are OECD estimates and may change when final data become available.

International comparisons of government expenditures expressed as percentages of GDP/GNP for both the total and central governments may be found in the reference tables. Expenditures at both levels of government have shown a persistent upward trend from 1969 to 1981. Between the period 1969-1974 and 1980, the average ratio of total government expenditures to GDP/GNP for the OECD countries increased 7.9 percentage points while over the same period the ratio of Canadian total government expenditures to GNP increased 5.0 percentage points. Canadian total government expenditures, at 41.7 per cent of GNP, were 3.5 percentage points less than the average OECD ratio of expenditures to GNP/GDP in 1980.

10. Inflation and the Consumer Price Index

The consumer price index (CPI) is one of the most frequently cited and used indicators of inflation. It often serves as an automatic adjustment factor for incomes, wages, and government taxes and transfer payments. Given the importance of the CPI, this chapter analyzes three of its aspects. First, it compares inflation estimates based on the CPI with those based on other price indexes to determine the usefulness of the CPI as an indicator of inflation. Second, to deal with the concern that published Canadian and U.S. CPIs are not directly comparable because of a number of differences, it constructs comparable sub-aggregates of the CPIs to analyze relative inflation performance in the two countries. Third, it is sometimes argued that the published Canadian CPI does not accurately reflect changes in prices in the marketplace because of the impact of governments on certain prices. Two aspects of this issue are examined by separating out the impact of regulated prices and indirect tax changes on the CPI.

Measures of Prices

There are four major aggregate indexes of prices available from Statistics Canada. These are: the CPI, the implicit price indexes for gross national expenditure (GNE-IPI) and for consumer expenditure (CE-IPI), and the industry selling price index (ISPI).

The CPI measures changes in the cost of purchasing a fixed basket of consumer goods and services by a target population in a certain reference period. The target population includes urban centres whose 1976 census population was over 30,000. The fixed basket used at the present time is based on 1978 expenditure patterns. The index covers only commodities and services purchased by consumers including imports; it does not cover prices of government services, capital formation and exports. The ISPI is a 1971-base-weighted index designed to measure movements in prices of products sold by manufacturing establishments. Its concept of price excludes discounts and other allowances and rebates, all sales taxes and excise taxes and excise duties on domestically produced tobacco, liquor and beer. Both the GNE-IPI and CE-IPI are

current-weighted indexes. The GNE-IPI covers market prices (including indirect taxes) of all newly produced goods and services in Canada but the CE-IPI covers only newly produced consumer goods and services. Statistics Canada also makes available GNE-IPI and CE-IPI on a fixed-weighted basis for illustrative and comparative purposes.

Table 10.1 compares percentage changes in major aggregates of available Canadian prices. The following conclusions can be drawn from this table. First, the fixed weighting of price indexes yields higher estimates of the rate of inflation than current weighting as indicated by a comparison of fixed — and current-weighted GNE-IPI and CE-IPI. This information can be used to support the argument that fixed weighting of the CPI imparts an upward bias to the estimated rate of inflation of the commodities included in the basket. Second, the CPI, which is a fixed-weighted index, shows on average a lower rate of inflation than officially published GNE-IPI which is current-weighted and is the most comprehensive of the available price indexes in its coverage of commodities. Third, in any one period, a very different picture of inflation can emerge depending upon the price index used. For example, the CPI outpaced GNE-IPI by 2 ½ percentage points in 1981. Furthermore, the relative positions of different price indexes indicating the extent of inflation can reverse importantly over time. For example, the ISPI increased almost 5 ½ percentage points more than the CPI in 1979 but almost 5 percentage points less than the CPI in 1982.

There are a number of advantages in using the CPI which have led to it becoming the preferred indicator of inflation. These are:

- It is available regularly and frequently to allow a quick picture of current price developments.
- Historical CPI data are never revised. A number of government transfer programs, federal income tax and some private contracts are linked to the rate of inflation. Any historical revisions to the index could raise the issue of making adjustments to such variables even after a lapse of considerable time.

Table 10.1

A Comparison of Alternative Indexes of Price Inflation

	Consumer price index (CPI)	Implicit price index for gross national expenditure		Implicit price index for consumer expenditure		Industry selling price index (ISPI)
		Current weighted	Fixed weighted	Current weighted	Fixed weighted	

Source: Statistics Canada, *Consumer Prices and Price Indexes*, quarterly, cat. 62-010; *Industry Price Indexes*, monthly, cat. 62-011; and *National Income and Expenditure Accounts*, quarterly, cat. 13-001.

- It is available seasonally adjusted. The absence of this characteristic would create problems for calculating rates of change for periods of less than one year, because these will be affected by seasonal factors.
- It has the potential for use as an indicator of inflation in a variety of situations, e.g. indexation of government programs and tax systems, wage adjustments, etc. Although specific price indexes may be more suitable for certain purposes, the simultaneous use of a number of indexes can be confusing.
- It is available on an international basis which facilitates international comparisons of inflation.

Canada-United States Comparisons

The substantially different treatment of homeownership in the Canada and U.S. CPIs should

be recognized when making price comparisons between the two countries. As well, Canada and the U.S. adjusted differently to world energy price shocks and the CPIs of the two countries have diverged importantly because of this. Another important factor which can lead to significant divergence of the Canada-U.S. CPIs is the volatility of food prices.

The homeownership component in the U.S. CPI consisted of five parts until 1983: home purchase (the price of new homes); contractual mortgage interest costs; property taxes; property insurance; and maintenance and repairs. The homeownership component accounted for 22.8 per cent of the CPI in the U.S., with the major proportion, 16.5 per cent, taken up by home purchase and mortgage interest cost.⁽¹⁾ Statistics Canada uses an outlays approach to homeownership in the Canadian CPI, which is quite different from that followed in the U.S. The Canadian index does not separate out the home purchase

⁽¹⁾ Beginning in 1983, the U.S. is switching to a rental equivalence approach for measuring changes in the homeownership cost.

price and mortgage interest payments as in the U.S. but, on the other hand, includes depreciation of the housing stock as a cost, which is ignored in the U.S. The weights for all elements of housing costs, except replacement costs, are based on expenditures reported in the 1978 family expenditure survey. Home replacement cost is based on an assumed 2 per cent annual depreciation rate. The mortgage interest cost index is a 60-month average of mortgage interest costs related to a fixed distribution of mortgages by age. The homeownership component accounts for 12.8 per cent of the total weight of the CPI in Canada, a significantly lower proportion than in the U.S.

A better picture of the difference in the underlying rates of inflation in the two countries can be obtained if some of the items discussed above are excluded from the aggregate CPIs for the purpose of comparison. This is done in Tables 10.2 and 10.3. The following main points are worth noting.

- The exclusion of food and energy reduces the rate of inflation in Canada over the whole period. In the U.S., this exclusion reduces the rate of inflation only in 1979 and 1980. This is because energy prices increased much faster in the U.S. than in Canada in the earlier period and slowed considerably in 1981 and 1982. In 1982, U.S. energy price increases lagged considerably behind increases in the all-items CPI. Food prices consistently increased faster in Canada than in the U.S. over this period, as indicated in Table 10.3.
- The exclusion of mortgage interest cost and depreciation lowers the rate of inflation in Canada in 1981 and 1982, raises it in 1979 and leaves it unchanged in 1980. In the U.S., the exclusion of mortgage interest cost and house purchase significantly lowers inflation throughout the period. An indication of the extent of these differences can be found in Table 10.3. In the U.S., the homeownership cost index has increased faster than the CPI

Table 10.2
Canada-U.S. Consumer Price Index Comparisons

	1979	1980	1981	1982
	(percentage change)			
All items CPI				
Canada	9.1	10.2	12.5	10.8
U.S.	11.3	13.5	10.3	6.2
(percentage point difference)	(- 2.2)	(- 3.3)	(2.2)	(4.6)
CPI excluding food and energy				
Canada	7.7	9.4	10.9	10.8
U.S.	9.7	12.4	10.5	7.4
(percentage point difference)	(- 2.0)	(- 3.0)	(0.4)	(3.4)
CPI excluding mortgage interest and depreciation or house purchase ⁽¹⁾				
Canada	9.4	10.2	12.2	10.4
U.S.	9.6	11.4	9.6	6.0
(percentage point difference)	(- 0.2)	(- 1.2)	(2.6)	(4.4)
CPI excluding food, energy, mortgage interest and depreciation or house purchase				
Canada	7.9	9.4	10.3	10.2
U.S.	6.9	8.9	9.4	7.6
(percentage point difference)	(1.0)	(0.5)	(0.9)	(2.6)

⁽¹⁾ The Canadian CPI includes a depreciation component in its homeownership index while the U.S. does not. The U.S. homeownership index includes a home purchase item not found in its Canadian counterpart.

Source: Department of Finance.

Table 10.3

Contributions of Selected Sub-Aggregates to the CPI Rate of Inflation in Canada and the U.S.

Year-Over-Year Rate of Inflation						
	Food		Energy		Homeownership	
	Canada	U.S.	Canada	U.S.	Canada	U.S.
(percentage change)						
1979	13.2	10.9	9.8	25.2	6.2	15.5
1980	10.7	8.6	16.0	30.9	7.5	19.6
1981	11.4	7.8	30.1	13.5	12.8	12.3
1982	7.2	4.0	19.8	1.5	13.6	6.8

Contributions to the CPI Rate of Inflation						
	Food		Energy		Homeownership	
	Canada	U.S.	Canada	U.S.	Canada	U.S.
(percentage points)						
1979	3.5	2.1	0.9	2.4	0.9	4.1
1980	3.0	1.6	1.4	3.4	1.0	5.4
1981	3.2	1.4	2.8	1.7	1.7	3.6
1982	1.9	0.7	2.7	0.2	1.9	2.0

Source: Department of Finance.

over the whole period. In Canada, homeownership cost increases overtook the CPI only in 1981. Both in 1981 and 1982, homeownership costs increased faster in Canada than in the U.S.

- The exclusion of all three elements reduces Canadian inflation for the whole period and U.S. inflation from 1979 to 1981, but increases U.S. inflation in 1982. The differential between Canadian and U.S. inflation rates falls to 2.6 percentage points in 1982, if these three items are excluded, from 4.6 percentage points if they are included. This supports the view that, in the last two years, the published Canadian rate of inflation has been higher than in the U.S. partly because of the impact of these special factors.

Table 10.3 also provides information on the contribution to inflation from these special factors.

Over the 1979 to 1982 period, food has consistently contributed more to Canadian inflation than to U.S. inflation. On the other hand, the contribution of homeownership costs to the U.S. rate of inflation has been much larger over the entire period. Energy contributed more to U.S. than to Canadian inflation in 1979 and 1980 but the situation reversed with the Canada-Alberta energy agreement in September 1981.

The contribution of homeownership costs to inflation is an interesting element to consider. As the top panel of Table 10.3 shows, these costs are now increasing at a faster rate in Canada than in the U.S. but their contribution to inflation in the U.S. remains larger. Both these developments require comment. Mortgage rates were at record high levels in 1981 and 1982. However, it is not the level but the rate of change in mortgage rates which is the important determinant of relative

rates of change of homeownership costs.⁽²⁾ The percentage changes in mortgage rates in 1981 and 1982 were not as large as in 1980. Since it is current mortgage rates which, until the end of 1982, entered the U.S. CPI compared to a 60-month average of rates in Canada, this explains why the Canadian homeownership cost index increased relatively more in 1981 and 1982. On the other hand, the contribution of homeownership cost to the rate of inflation remains larger in the U.S. (although the gap has narrowed considerably in recent quarters) because of the large weight attached to homeownership in the U.S.

Regulated versus Non-regulated Prices⁽³⁾

Both the federal and provincial-local governments exercise rather direct influence on prices paid by consumers in such areas as food, transportation, telephone services, tobacco and alcohol, petroleum products and electricity. The influence occurs through regulation of prices charged by private suppliers, through the price charge when the government is itself the supplier, and through taxes. In only in relatively few cases, however, (e.g. telephone rates) does the final price to the consumer (as measured in the CPI) provide a direct measure of the price/tax directly controlled by a single level of government. In most cases, the final retail price will reflect a mix of regulated prices of some important inputs into the final product price (e.g. crude oil in the case of gasoline), taxes by one or more levels of government, and uncontrolled elements (e.g. retail margins).

This regulation of prices by governments has two important aspects. First, pricing behaviour of regulated and non-regulated commodities may be different during various phases of the business cycle. This is because the rate of increase of regulated prices, not subject to normal market forces, may not decelerate during downturns or accelerate during upturns as quickly as non-regulated prices. Second, there is the important issue

of whether or not governments have contributed to increasing the rate of inflation in Canada by regulating prices. That is, is the current level of prices higher than it would have been in the absence of price regulation?

A study recently prepared at Statistics Canada attempts to shed light on the first of these aspects of regulation, i.e., different cyclical behaviour of regulated and non-regulated prices.⁽⁴⁾ The methodology followed was to construct a sub-aggregate of the CPI consisting of those of its components for which it was a reasonable presumption that regulated prices and/or taxes exerted a major influence. This index was compared with an index of the remaining "non-regulated" components of the CPI. The comparison supported the hypothesis that "regulated prices" were less responsive to the economic cycle than non-regulated prices, lagging on both the way up and the way down. The estimates also indicated that regulated prices were recently increasing at rates significantly above the general rate of inflation. It should be noted, however, that energy price changes played a substantial role in the high recent rates of increase of the "regulated index".

An index of regulated prices, constructed along the lines indicated above, gives only a very imperfect measure of developments in actual prices and taxes, since in only a few cases do the components of the index provide a direct measure of such prices. Further, description of the course of "regulated prices" – however imperfect – is only a first step towards analysis of the impact of regulation. For example, in the absence of regulation, energy prices would be expected to be substantially above their current levels although their rate of increase over the past year would be less.

It is possible to pursue this approach one step further and obtain an approximate indicator of developments in prices subject to substantial degrees of federal, versus provincial-local, influ-

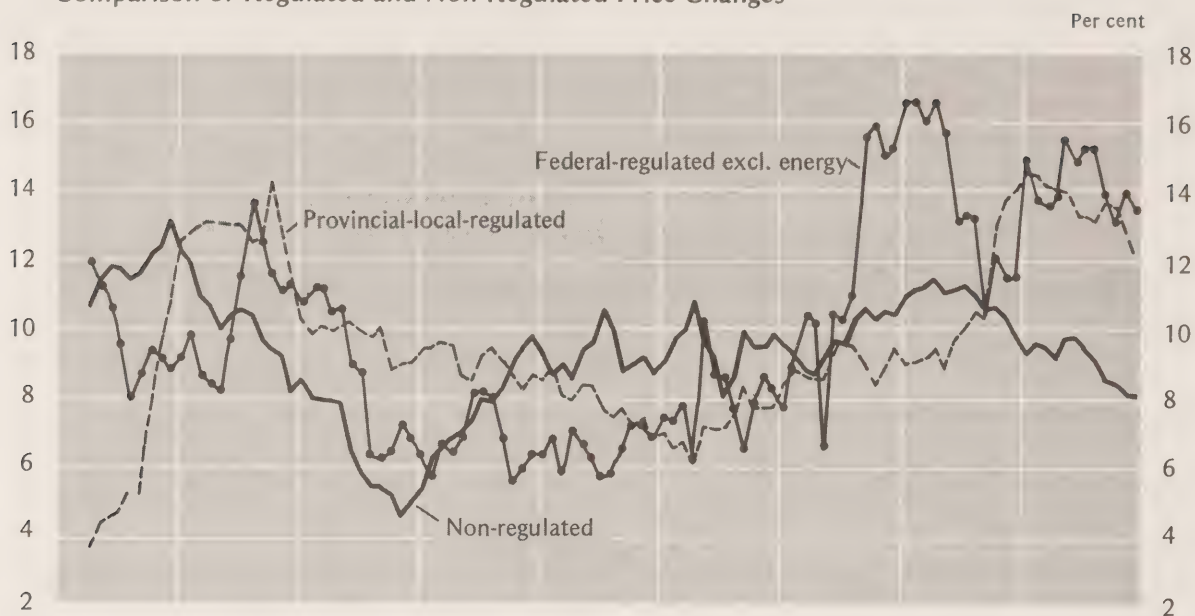
⁽²⁾ For example, suppose one country uses a two-year average of mortgage rates and the other country the recent rate for the mortgage cost index. Suppose the rates are 5, 15 and 20 per cent over three years. The first country's average would be 10 and 17.5 in the last two years or a 75-per-cent increase in the second year. The second country's average would be 15 and 20 in the last two years, or a 33-per-cent increase in the second year.

⁽³⁾ Readers interested in obtaining more details on this subject are requested to contact the Macro-Analysis Section of the Economic Analysis Division, Department of Finance.

⁽⁴⁾ Karen Wilson, "The Behaviour of Regulated Prices in the Consumer Price Index" *Current Economic Analysis*, Statistics Canada, August 1982.

Chart 10.1

Comparison of Regulated and Non-Regulated Price Changes



Source: Department of Finance.

ence through regulation and taxation. This indicator is rougher because one has to assign a given CPI component somewhat arbitrarily either to the federal or provincial-local category, on the basis of which government level is thought to exercise the preponderant influence on it. For example, alcohol and tobacco have been assigned in this analysis to the provincial-local regulated component, since provincial taxes and liquor commission mark-ups are a major factor in the final price. But federal taxes, and private business pricing at the farm, manufacturer, and retail level also enter into the price.

Chart 10.1 provides comparisons of federal-regulated, provincial-local-regulated and non-regulated prices. The information provided there confirms the hypothesis that rates of increase of prices of regulated and non-regulated commodities diverge importantly during phases of business cycles. For example, non-regulated prices increased faster than regulated prices, excluding energy prices, during 1974-1975 and again during the period from late 1977 to mid-1980. Regulated prices increased faster than non-regulated prices between late 1975 and late 1977 and again since mid-1980. In the recent period, large increases in postage rates, railway passenger fares and air fares were responsible for the larger increase in regulated prices relative to non-regulated prices. The rate of increase of prices subject to major federal and provincial-local influences was higher than that of non-regulated prices during this period.

This analysis sheds light on only the first aspect of the impact of regulation, i.e., the cyclical difference in rates of change in regulated and non-regulated prices. The question whether the federal government through regulation has made a contribution to increasing the rate of inflation can not be answered unless it is also determined what prices would have been for regulated commodities had the federal government not intervened in the market place to regulate prices. Only a comparison of actual prices with these alternative prices would provide any information on the direct impact of the federal government on the rate of inflation over time.

It is difficult to devise a simple rule to determine what regulated prices would have been in the absence of regulation. It is assumed here that prices of regulated commodities excluding energy and communication would have shown the same rates of change as the closest substitutes for commodities which are non-regulated. For energy and communication, the alternative prices are based on actual U.S. price indexes for comparable commodities. The U.S. price indexes are used for these commodities because good Canadian substitutes are not available. Almost the total communications sector is regulated and no substitute for energy products is readily thinkable. Details on alternative values used for regulated commodities are provided in Table 10.4.

The 1982 value of the sub-aggregate of federally-regulated prices is calculated to be 334.0, with April 1973 = 100.0. The replacement of actual values with hypothetical values yields a value of 353.1 for 1982. This comparison, though tentative and admittedly hypothetical, suggests that regulated prices would have been 5.7 per cent higher in 1982 in the absence of federal regulation.

Indirect Taxes and the Consumer Price Index⁽⁵⁾

Statistics Canada does not publish a consumer price index excluding indirect taxes. To further determine the impact of governments on inflation, indirect taxes—in terms of property, energy and non-property-non-energy taxes—were separated out from the CPI for all three levels of government.

Table 10.5 provides estimates of the rates of increase of various CPI sub-aggregates excluding these various types of indirect taxes. The impact of indirect taxes on the rate of inflation can be calculated simply as differences between the actual rate of increase of the CPI and the sub-aggregates excluding particular types of indirect taxes.

⁽⁵⁾ For details on the methodology and assumptions underlying this analysis, contact the Macro-Analysis Section of the Economic Analysis Division, Department of Finance.

Table 10.4

Alternative Prices of Regulated Commodities

Commodity	Actual value	Hypothetical value	Hypothetical value reflects
Eggs and dairy products (excluding fluid milk)	265.9	261.9	Food ex. dairy products and eggs—CPI
Poultry.....	223.3	227.4	Meat—CPI
Telephone.....	155.8	173.8	Telephone—U.S.—CPI ⁽¹⁾
Postage.....	362.9	283.9	Postage—U.S.—CPI ⁽¹⁾
Rail	187.0	261.5	Private transportation—CPI
Air	321.2	261.5	Private transportation—CPI
Motor oil	239.4	311.5	Motor oil—U.S. CPI ⁽¹⁾
Gasoline	392.6	421.8	Gasoline—U.S. CPI ⁽¹⁾
Fuel oil.....	562.2	677.8	Fuel oil—U.S. CPI ⁽¹⁾
Natural gas.....	436.7	482.6	Natural gas—U.S. CPI ⁽¹⁾

⁽¹⁾ The U.S. CPI is properly adjusted to reflect exchange rate changes and is rebased to 1973:4 = 100.0 to keep it comparable to the rebased Canadian components.

Source: Statistics Canada, *The Consumer Price Index*, monthly, cat. 61-001; and U.S. Bureau of Labour Statistics, *CPI Retail Report*, monthly.

Table 10.5

Rates of Inflation of the CPI Including and Excluding Indirect Taxes

	CPI	CPI ex. all federal taxes	CPI ex. federal non- energy taxes	CPI ex. provincial taxes	CPI ex. property taxes	CPI ex. energy taxes	CPI ex. other taxes	CPI ex. all taxes	CPI ex. energy prices — tax and non- taxes
	(percentage change)								
1978	8.9	8.9	8.9	9.0	8.7	8.9	9.1	8.8	8.9
1979	9.1	9.4	9.4	9.0	9.1	9.1	9.3	9.2	9.1
1980	10.2	10.1	10.2	10.2	10.2	10.1	10.3	10.1	9.7
1981	12.5	11.4	12.5	12.5	12.5	11.3	12.6	11.4	11.0
1982	10.8	11.4	11.1	10.2	10.6	11.0	10.6	10.7	9.8
Annualized Rate Change									
1978-1980 ..	9.4	9.5	9.5	9.4	9.3	9.4	9.5	9.4	9.5
1981-1982 ..	11.6	11.4	11.8	11.3	11.6	11.1	11.6	11.0	10.4

Source: Department of Finance.

A comparison of the rate of change of the CPI and of the CPI excluding all indirect taxes indicates that indirect tax changes have had a relatively small impact on the CPI rate of inflation. The impact was negligible during the 1978 to 1980 period and 0.6 percentage points, on average, during 1981 and 1982. This is because indirect tax changes have seldom led other price changes, except for the recent changes in energy taxes. From 1978 to 1980, indirect tax changes at the federal level, on average, lagged behind the rate of inflation and their impact on the rate of inflation was a negative 0.1 percentage points. Over the same period, provincial indirect taxes increased in line with increases in the CPI and hence their impact was negligible while the impact of local property taxes was to increase slightly the rate of inflation.

During the 1981-1982 period, federal non-energy indirect taxes helped to reduce the annual CPI rate of inflation by 0.2 percentage points. Federal energy taxes, on the other hand, increased the

annual rate of inflation by about 0.4 percentage points over this period, all concentrated in 1981, with the result that the impact of all federal indirect tax changes was to increase the rate of inflation by 0.2 percentage points on average over this period. The largest federal impact of indirect tax changes on the CPI rate of inflation, equal to 1.1 percentage points, occurred in 1981, mainly as a result of the imposition of petroleum compensation charges.

Over the 1981 and 1982 period, indirect energy taxes had an impact of 0.5 percentage points on the annual CPI rate of inflation. However, the last column in Table 10.5 indicates that energy tax and non-tax changes impacted the rate of inflation by 1.2 percentage points over this period. Therefore, non-indirect-tax energy price changes, compared to indirect tax changes, have made a significantly larger impact on the CPI rate of inflation. Over the same period, the impact of local property taxes was negligible while the impact of provincial indirect taxes was to increase the rate of inflation by 0.3 percentage points.

11. Productivity Developments

Since 1974, the rate of increase in labour productivity has slowed significantly in all major industrialized countries including Canada. This is a cause of concern since real standards of living in a country depend crucially on its productivity performance. It can, for example, be argued that real wage declines in Canada since 1977 are related to productivity declines since then. Inflationary pressures are also exacerbated by a productivity slowdown: directly, because price changes depend on unit labour costs which increase if productivity slows down, and indirectly, if workers react to a slowdown in real wage increases by demanding larger money wage increases. In addition, a country's international competitiveness and the external value of its currency are determined to a significant extent by its productivity performance relative to other countries. If a country's productivity growth rate is lower than that of its competitors, it must either maintain a lower rate of increase in money incomes or allow a depreciation of its currency in order to retain its relative competitive position.

Canada's Comparative Productivity Performance

As discussed in Chapter 9, all seven of the major OECD countries experienced a slowdown in pro-

ductivity growth in the post-1973 period. The fall-off in productivity growth was the largest in Japan followed by Canada. Annual productivity growth averaged 0.9 per cent in the seven major OECD countries during the 1979-1982 period compared to 3.9 per cent during 1966-1973. Canada and the U.S. were the only two countries to register absolute declines in productivity in the most recent period.

In Chapter 9 productivity was defined as real GNE per employed person since these are the only up-to-date international data on total labour productivity in the economy that are readily available. A better, though narrower, indicator of productivity is output per hour worked in the manufacturing sector. This measure helps to overcome two problems inherent in defining productivity as GNE per employed person: it concentrates on the production of goods, leaving aside services where productivity is generally hard to define, and it uses hours worked rather than total number of persons employed. Productivity estimates can be seriously biased if the relationship between employment and hours worked changes importantly. Table 11.1 provides data on productivity, defined as manufacturing output per hour worked, for the seven major OECD countries.

Table 11.1

Labour Productivity⁽¹⁾ in Manufacturing in Major OECD Countries

	U.S.	Canada	Japan	France	Germany	Italy	U.K.
(average annual percentage growth rates)							
1951-1973	2.8	4.3	10.0	5.3	5.8	6.6	3.4
1967-1973	3.1	5.0	11.9	6.0	5.3	7.1	4.7
1974-1981	1.5	1.1	6.2	4.2	4.4	3.6	2.2
(Percentage point change):							
1967-1973 to 1974-1981	(- 1.6)	(- 3.9)	(- 5.7)	(- 1.8)	(- 0.9)	(- 3.5)	(- 2.5)
(annual percentage growth rates)							
1979	0.7	1.7	8.9	4.9	4.9	7.3	3.3
1980	0.2	- 3.3	6.8	1.6	1.4	5.8	0.6
1981	2.8	0.3	3.2	1.6	2.7	3.4	5.9

⁽¹⁾ Defined as output per hour worked.

Source: U.S. Department of Labour, Bureau of Labour Statistics, Office of Productivity and Technology, *Output per Hour, Hourly Compensation and Unit Labour Costs in Manufacturing, Eleven Countries, 1950-81*, December 1982.

Table 11.2

A Comparison of Canadian and U.S. Business Sector Labour Productivity⁽¹⁾, 1950 - 1981

	Total business sector		Non-farm business sector	
	U.S.	Canada	U.S.	Canada
(average annual rates of change)				
1951-1960	2.6	4.3	2.0	3.4
1951-1965	3.0	4.2	2.4	3.3
1951-1973	2.8	4.2	2.3	3.5
1951-1981	2.3	3.4	1.9	2.7
1961-1965	3.7	4.0	3.3	3.2
1966-1973	2.4	4.1	2.1	3.7
1974-1977	1.4	1.9	1.2	1.6
1974-1981	0.8	0.9	0.6	0.7
1978-1981	0.2	-0.1	0.0	-0.2

⁽¹⁾ Defined as output per person-hour.

Source: Bureau of Labour Statistics, *Monthly Labour Review*, December, 1982; Statistics Canada, *Aggregate Productivity Measures*, cat. 14-201, October, 1982.

Table 11.3

A Comparison of Canadian and U.S. Productivity⁽¹⁾ Slowdowns at the Sectoral Level, 1967-1973 and 1974-1978

	1967-1973		1974-1978		Change from 1967-1973 to 1974-1978	
	U.S.	Canada	U.S.	Canada	U.S.	Canada
(average annual rate of change)						
	(percentage change)				(percentage points)	
Agriculture	3.8	2.8	1.9	1.2	-1.9	-1.6
Mining	1.6	5.9	-4.6	-2.9	-6.2	-8.8
Manufacturing	2.5	3.9	1.3	2.2	-1.2	-1.7
Construction.....	-2.9	3.0	-1.3	0.4	1.6	-2.6
Transportation	2.5	5.2	0.3	0.1	-2.2	-5.1
Communications	4.7	4.0	7.2	5.6	2.5	1.6
Electric, gas and sanitary services ..	3.5	1.8	0.1	0.6	-3.4	-1.2
Wholesale trade.....	2.3	1.8	0.1	-0.4	-2.2	-2.2
Retail trade.....	1.4	1.1	-0.7	-0.1	-2.1	-1.2
Finance, insurance and real estate ..	0.0	0.3	1.7	0.5	1.7	0.2
Commercial business and personal services.....	0.9	1.1	-0.1	-0.1	-1.0	-1.2

Note: The year prior to the first reference year serves as the base for compound annual growth rate calculations. For example, 1966 is the base year for the 1967-1973 period. Large annual fluctuations in outputs of certain sectors, such as agriculture, may significantly bias compound annual growth rates.

⁽¹⁾ Output per person.

Source: U.S. Department of Commerce, *Survey of Current Business*, and *National Income and Product Accounts*; Statistics Canada, *Input-Output Structure of the Canadian Economy in Constant Prices 1961-78*, cat. 15-202 and 15-509; and unpublished Statistics Canada data.

Trends in labour productivity in manufacturing among the seven major OECD countries are similar to those provided in Chapter 9. In the 1974-1981 period, productivity growth rates were the lowest in Canada and the U.S. In terms of the slowdown in manufacturing productivity growth between the 1967-1973 and 1974-1981 periods, Japan's absolute fall-off of 5.7 percentage points was again the largest, followed by Canada, where the decline was 3.9 percentage points. In both 1980 and 1981 Canadian productivity growth was the lowest among the seven countries.

A Comparison of Canadian and United States Productivity Trends

Since the Canadian and the U.S. economies have many common structural characteristics, an examination of productivity trends in the two countries to ascertain similarities and differences may provide useful insights into the causes of the current productivity slowdown.

Aggregate productivity growth in Canada was approximately 1 percentage point higher than that of the U.S. in the postwar period as indicated in Table 11.2. Business sector output per hour worked rose at a 3.4-per-cent average annual rate during the 1951-1981 period in Canada compared to an increase of 2.3 per cent in the U.S. The comparable figures for the non-farm business sector are 2.7 per cent and 1.9 per cent respectively. However, Canada's superior average performance was concentrated in the pre-1974 period. Since 1974 aggregate productivity trends in the two countries have been remarkably similar, as business sector productivity grew at an annual average rate of 0.8 per cent in the 1974-1981 period in the U.S. and 0.9 per cent in Canada (0.6 per cent versus 0.7 per cent for the non-farm business sector). Consequently, the productivity slowdown has been more acute in Canada than in the U.S. For example, business sector productivity growth fell 3.3 percentage points between the 1951-1973 and 1974-1981 periods in Canada versus a decline of 2.0 percentage points in the U.S. (The respective figures for the non-farm business sector are 2.8 per cent and 1.7 per cent.) The difference between the U.S. and Canadian productivity slowdowns is even larger when the 1974-1981 period is compared with the shorter 1966-1973 period. Over this period, average annual

productivity growth declined 3.2 percentage points in Canada and 1.6 percentage points in the U.S. for the business sector. Another common feature of productivity trends in the two countries is a second significant deceleration of productivity growth in the post-1977 period relative to the 1974-1977 period. This second productivity slowdown was again more acute in Canada as business sector productivity growth fell 2.0 percentage points between those two periods versus a decline of 1.2 percentage points in the U.S. Indeed, in the 1978-1981 period, average productivity actually declined slightly in Canada and showed about zero change in the U.S.

A sectoral comparison of Canadian and U.S. productivity is provided in Table 11.3. In the 1967-1973 period, productivity growth rates in Canada were higher in six of 11 sectors, with rates that were significantly higher — by more than 2 percentage points — in mining, construction and transportation. On the other hand, in the 1974-1978 period, there were no industries where productivity differentials exceeded 2 percentage points. In terms of the slowdown in productivity growth between periods, Table 11.3 indicates that roughly the same industries were affected or not affected in the two countries by the slowdown. In both countries communications, and finance, insurance and real estate industries experienced higher productivity growth in the post-1973 period. In the U.S., construction productivity has also improved over time but not in Canada. In all other industries, productivity growth slowed in both countries. The largest slowdown in productivity occurred in mining, with significant — over 3 percentage points — fall-offs taking place in transportation in Canada and electric, gas and sanitary services in the U.S. Agriculture, manufacturing, wholesale trade, retail trade and commercial business and personal services experienced lesser slowdowns.

Factors Responsible for the Productivity Slowdown in Canada and the United States

A number of factors have been advanced as possible explanations for the productivity slowdown. These are discussed below. However, it is important to point out that the causes are not yet fully understood and this discussion is therefore put

forward with a view to reviewing briefly alternative hypotheses, rather than drawing very firm conclusions.

Some observers have suggested that the productivity slowdown may be a statistical illusion caused by an underestimation of real output due to the growth of the underground economy, difficulty in defining output represented by new products such as computers, and inadequate measures of output of service industries. However, all these problems existed before 1974 and there is no clear basis for expecting them to have become more important in recent years.

The transfer of workers from low productivity jobs in the agricultural sector into higher productivity employment in other sectors was a significant source of productivity growth in the pre-1974 period. To some extent, this source of productivity growth was counterbalanced by an increased flow of labour to the lower productivity service sector during that period. After 1974, the flow of labour to the service sector has continued and even accelerated but the movement of labour from agriculture to higher productivity industries has stopped. Some estimates suggest that a quarter of the recent decline in productivity growth may have been caused by this factor.

More rapid output growth also causes an increase in productivity through economies of scale, larger production runs, learning by doing and higher rates of capacity utilization. Since 1974, growth of aggregate demand has slowed significantly, and this in itself would explain part of the slowdown in productivity growth, due to the reduced importance of the factors noted above.

The slower rate of growth of capital stock is sometimes advanced as a possible source of productivity slowdown. However, data do not tend to support this hypothesis. The share of business investment in GNE in both Canada and the U.S. was, on average, higher in the post-1974 period than in the 1966-1973 period. The same applies to the growth of capital stock over these two periods. A better indicator of the contribution of this factor to productivity slowdown is the change in the capital-to-labour ratio; this ratio has also not generally declined in the post-1974 period relative to the 1966-1973 period, and consequently this explanation also does not appear to hold much validity, at least at the economy-wide

level. It may be important, however, in certain industry sectors.

It has also been argued at times that capital stock data based on historical depreciation rates overstate the true stock of capital because large increases in energy prices since the 1974 oil price shock have made a significant portion of the existing stock obsolete. It is difficult to verify the validity of this claim which is theoretically plausible.

The timing of both the steep decline in productivity growth and the energy price shock in 1974 suggests a close relationship between the two. Large energy price increases since 1974 have reduced the use of energy in the production process. It could also have made some capital stock obsolete as noted above. Since total output is a function of the amounts of factor inputs used, including energy, the growth in total output was expected to fall, unless offset by increases in the capital stock. The contribution of this factor to productivity slowdown is again difficult to determine.

A slower rate of technical change may also have caused a slowdown in measured productivity growth. One indicator of this deceleration in technical change is the amount of resources devoted to research and development (R&D). Data for the U.S. and Canada on government and private sector spending on R&D do not lend support to this hypothesis. Business sector R&D expenditure as a share of GNP has generally increased in both Canada and the U.S. since 1967. Total R&D spending, including both business and government, also did not slow down in the post-1974 period. It can be argued that technical change may have autonomously slowed down in recent years. However, it is difficult to substantiate such a hypothesis.

Since the slowdown in productivity growth occurred simultaneously with a surge in inflation, some explanations have attempted to link the two. Unanticipated inflation may slow productivity growth by causing an inefficient mix of factor inputs as the direction of future changes in relative factor and commodity prices becomes uncertain. Another effect of inflation on productivity may be through the tax system since many types of tax rates may not be inflation-proof and could adversely affect business operations. It is

difficult to estimate the contribution of this factor, particularly since cause and effect may have worked in the other direction, with lower productivity growth contributing to inflation.

Increased government regulation in both Canada and the U.S. over the past decade in areas of environmental matters and worker safety has required a greater diversion of resources to uses which do not increase measured output and hence reduce measured productivity. It is again difficult to quantify how significant this factor is.

Changes in the age-sex composition of the labour force have also been alleged to affect productivity growth adversely. The proportion of women in the work force has increased rapidly in recent years. However, this argument does not address the issue of why productivity growth slowed after 1974, because the trend towards increased female participation was as rapid before 1974 as after.

A large number of additional factors—even more difficult to measure or to test than the above—have been suggested to explain the productivity slowdown. These include: the depletion of natural resources as high quality, easily accessible oil and gas deposits and ore bodies have become exhausted; a decline in the work ethic; a deterioration in the quality of management; and the increased frequency of shocks to the system, such as the oil price shocks, which make it difficult to determine the lowest-cost inputs in making production decisions.

Canada—United States Comparison of Cyclical Behaviour of Output and Productivity⁽¹⁾

Canadian and U.S. business cycles over the last 20 years have not differed much in timing but have differed significantly in terms of their severity. As shown in Table 11.4, the average Canadian output decline in the last six recessions, excluding the most recent one in 1981–1982, was 1.2 per cent compared to 2.7 per cent in the U.S. Even including the last recession, which was significantly more severe in Canada than previous ones and about average in the

U.S., the average decline in Canadian output at 2.1 per cent was less than in the U.S. at 2.7 per cent. These differences also apply during upturns, as increases in Canadian output averaged 4.9 per cent over the first four quarters following the output trough compared to an average increase of 5.5 per cent in the U.S. Thus, business cycles in Canada were, on average, milder than in the U.S. with output declining less during downturns and increasing less during early phases of the upturns.

Table 11.4 also provides estimates of productivity elasticities—defined as ratios of percentage changes in productivity to percentage changes in output. By standardizing output changes, these ratios facilitate productivity comparisons across countries and over time. If a productivity elasticity is greater than one, then productivity changes during a cyclical upswing or downswing exceed output changes, implying that output and employment move in opposite directions in the short run. Productivity elasticities of less than one indicate that short-run movements in output and employment are in the same direction.

Productivity elasticities in both countries were large during mild recessions as employment increased simultaneously with declines in output, although at a slightly slower rate than in the year preceding the output peak. The elasticities were, however, particularly large for Canada as employment increases in Canada during mild recessions significantly outpaced those in the U.S.

The two countries experienced substantially different productivity and employment reactions to more substantial output declines ranging from 1.5 per cent to 4.0 per cent. In Canada, these recessions (1953, 1960 and 1979) were again accompanied by large productivity elasticities, as employment continued to increase despite the recession. Employment growth was, however, slower than in milder recessions. In sharp contrast, recessions of this depth in the U.S. (1953, 1957, 1973, 1980 and 1981) were sufficient to generate significant declines in employment. In the most recent Canadian recession, where the output decline from the second quarter of 1981 to the fourth quarter of 1982 was 7.5 per cent,

⁽¹⁾ Readers interested in knowing details of the methodology used for this analysis should contact the Macro-Analysis Section of the Economic Analysis Division at the Department of Finance. Productivity in this analysis is defined as real GNE per employed person because these are the only data available to the end of 1982 at the time of writing.

Table 11.4

**The Cyclical Behaviour of Output, Employment
and Productivity in Canada and the U.S.**

Canada

Dates: Peak to trough	Peak to trough ⁽¹⁾				Four quarters following output trough			
	Output	Productivity ⁽²⁾	Productivity elasticity	Employment	Output	Productivity ⁽²⁾	Productivity elasticity	Employment
(percentage changes)								
1953:4-1954:2	-3.1	-3.4	1.1	0.4	9.4	6.9	0.7	2.3
1956:4-1957:4	-0.3	-1.5	5.0	1.2	4.7	4.6	1.0	0.1
1960:1-1960:2	-1.7	-1.9	1.1	0.2	3.9	2.4	0.6	1.6
1969:4-1970:1	-0.05	-0.3	6.0	0.2	4.0	2.1	0.5	1.9
1974:1-1974:3	-0.6	-2.3	3.8	1.7	1.8	0.3	0.2	1.6
1979:4-1980:2	-1.5	-1.9	1.3	0.5	5.5	1.9	0.3	3.6
1981:2-1982:4	-7.5	-2.6	0.3	-5.0	—	—	—	—
Average:								
Total	-2.1	-2.0	1.0	-0.1	4.9	3.0	0.6	1.9
Excl. 1981-1982 ..	-1.2	-1.8	1.5	0.7	—	—	—	—

United States

Dates: Peak to trough	Peak to trough				Four quarters following output trough			
	Output	Productivity ⁽²⁾	Productivity elasticity	Employment	Output	Productivity ⁽²⁾	Productivity elasticity	Employment
(percentage changes)								
1953:2-1954:2	-3.2	-1.0	0.3	-2.2	7.4	4.5	0.6	2.7
1957:3-1958:1	-3.4	-1.5	0.4	-1.9	6.9	5.3	0.8	1.6
1960:1-1960:4	-1.2	-2.1	1.8	0.9	6.4	6.2	1.0	0.3
1969:3-1970:1	-1.0	-1.8	1.8	0.8	2.8	2.9	1.0	-0.1
1973:4-1975:1	-4.8	-3.8	0.8	-0.9	6.7	3.9	0.6	2.7
1980:1-1980:2	-2.5	-1.7	0.7	-0.8	3.0	1.2	0.4	1.8
1981:3-1982:1	-2.6	-1.6	0.6	-1.0	—	—	—	—
Average:								
Total	-2.7	-1.9	0.7	-0.7	5.5	4.0	0.7	1.5
Excl. 1981-1982 ..	-2.7	-2.0	0.7	-0.7	—	—	—	—

⁽¹⁾ The dates of the downturns reflect periods of declining real GNE.

⁽²⁾ The productivity data reported are based on actual changes which include both trend and cyclical components. Ideally, one should exclude trend changes in productivity from these estimates to obtain only the cyclical element. This has not been done to keep the analysis simple and also because the revised estimates do not affect the conclusions reported.

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001, and *National Income and Expenditure Accounts*, quarterly, cat. 13-001; U.S. Department of Labour, *Employment and Earnings*; and U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*.

about six times larger than the average for Canada, the productivity elasticity was similar to that in the U.S. This was, therefore, the first Canadian recession in the last 20 years when employment declined simultaneously with a reduction in output. To a very large extent, this was caused by the depth of the recession itself. Other contributing factors were record levels of interest rates, the length of the recession, declining business confidence, and the poor profitability situation of Canadian industries; these factors speeded up the employment response to changes in output.

The cyclical differences in productivity patterns between Canada and the U.S. are equally pronounced during periods of recovery, as shown in Tables 11.4 and 11.5. Note the following interesting features of this comparison. First, in contrast to the downturns, productivity elasticities during upturns, on average, were smaller in Canada than

in the U.S. This implies that the positive employment response during upturns was relatively stronger in Canada. Second, as shown in Table 11.5, in the four quarters following the output trough, Canadian productivity growth at 1½ times the trend rate was significantly less than the average of 2½ times the trend rate in the U.S. This implies that the recovery in Canadian productivity to trend levels lagged significantly behind the U.S. Third, a comparison of productivity in Canada during upturns and downturns indicates an asymmetry – productivity elasticities are, on average, greater than one during downturns and less than one during upturns. Thus, on average, and indeed in every previous recession examined prior to the most recent one, employment in Canada increased both during recessions and upswings. In the U.S., both elasticities are less than one, on average, implying that employment and output in the U.S. generally moved in the same direction.

Table 11.5

**Productivity Growth in Canada and the U.S. During Recoveries
(Cumulative change over four quarters following output trough)**

Canada			
Trough	Actual productivity	Trend productivity	Actual/trend productivity
	(percentage change)		
1954:2	6.9	2.4	2.9
1957:4	4.6	2.1	2.2
1960:2	2.4	2.1	1.1
1970:1	2.1	2.3	0.9
1974:3	0.3	1.3	0.2
1980:2	1.9	n.a.	n.a.
Average	3.0	2.0	1.5
United States			
Trough	Actual productivity	Trend productivity	Actual/trend productivity
	(percentage change)		
1954:2	4.5	1.5	3.0
1958:1	5.3	2.5	2.1
1960:4	6.2	2.5	2.5
1970:1	2.9	1.2	2.4
1975:1	3.9	0.5	7.8
1980:2	1.2	n.a.	n.a.
Average	4.0	1.6	2.5

n.a.: Not available

Source: Table 11.1 and Department of Finance estimates.

Reference Tables

Note: Data in these tables were the latest available at the time of preparation. Statistics are revised, and users are requested to consult the sources for the most up-to-date figures.

Where available, CANSIM identification numbers (D for Statistics Canada and B for Bank of Canada) have been given at the heads of columns to assist readers who have access to machine-readable data and to provide a more detailed cross reference to publications. Where two numbers are given, the top number represents unadjusted data and the bottom number represents seasonally adjusted data.

Population		Page
1	Demographic Developments	119
2	Population by Province	120
National Accounts		
3	Gross National Expenditure	122
4	Gross National Expenditure in Constant 1971 Dollars	124
5	Structural Changes in Demand (Percentage Distribution of Gross National Expenditure by Components)	126
6	Structural Changes in Demand (Percentage Distribution of Gross National Expenditure in Constant 1971 Dollars by Components)	127
7	Gross Expenditure Per Capita, Canada and by Province	128
8	Gross Provincial Expenditures	130
9	National Income and Gross National Product	132
10	Reconciliation of Gross National Product at Market Prices and Gross Domestic Product at Factor Cost ..	134
11	Structural Changes in Income (Per Cent Distribution of Gross National Product by Components)	136
12	Structural Changes in Income (Per Cent Distribution of Net National Income by Components).....	137
13	Indexes of Real Income	138
14	Personal Income and Expenditure	140
15	Personal Income, Canada and by Province	141
16	Personal Income Per Capita, Canada and by Province	143
Components of Expenditures		
17	Value of Retail Trade	145
18	Private and Public Investment in Canada	146
19	Private and Public Investment in Canada	148
20	Private and Public Investment by Region	150
21	Private Investment Capital Expenditures Excluding Housing	151
21	Dwelling Starts, Completions and Under Construction	152
23	Dwelling Starts and Completions, by Type	153
24	Manufacturers' Inventories, Shipments and Orders.....	154
Real Output		
25	Gross Domestic Product in Constant (1971) Dollars by Industry	155
Labour Force		
26	Main Components of the Labour Market	156
27	Participation and Unemployment Rates by Sex and Age Groups.....	157
28	Participation Rates, Canada and by Region.....	158
29	Labour Force, Canada and by Region	159
30	Employment, Canada and by Region	160
31	Estimates of Employees by Industry	161
32	Unemployment, Canada and by Region	162
33	Unemployed Persons by Family Status, Canada.....	163
34	Family Units with One or More Unemployed Persons by the Number of Employed Persons in the Family Unit, Canada	164
35	Help-Wanted Index, Canada and Regions	165
Productivity and Costs		
36	Productivity and Costs: Commercial Non-Agricultural Industries	166
37	Productivity and Costs: Commercial Non-Agricultural Goods-Producing Industries	167
38	Productivity and Costs: Commercial Services-producing Industries	168
39	Productivity and Costs: Manufacturing Industries	169
40	Average Weekly Wages and Salaries by Industrial Division	170
41	Annual Average Wage Changes Provided by Major Collective Agreements (without COLA).....	171

Prince Indexes

42	Gross National Expenditure Implicit Price Indexes	172
43	Consumer Price Indexes: Standard Classifications	174
44	Consumer Price Indexes: Reclassified by Goods and Services	175
45	Energy Prices	176
46	Other Prices Indexes	177

Government Revenues, Expenditures and Debt

47	An International Comparison of Total Government and Central Government Total Expenditures as Percentages of Gross Domestic or Gross National Product	178
48	Total Government Revenues	179
49	Total Government Expenditures	180
50	Federal Government Revenues	181
51	Federal Government Expenditures	182
52	Federal Government Expenditure by Envelope	183
53	Federal Government Debt	184
54	Actual and Cyclically Adjusted Budget Balances, Federal and Consolidated Government Sectors	185
55	Provincial Government Revenues	186
56	Provincial Government Expenditures	187
57	Local Government Revenues	188
58	Local Government Expenditures	189
59	Hospital Revenues and Expenditures	190
60	Federal Government Liabilities and Assets: Financial Flow Accounts Basis	191
61	Provincial and Local Governments and Hospitals Liabilities and Assets: Financial Flow Accounts Basis	192
62	Government of Canada Financial Transactions	193
63	Government of Canada Liabilities and Assets, Public Accounts Presentation	197
64	Allocation of Revenues from Own Sources, by Levels of Government	198
65	Intergovernmental Transfers	199
66	Allocations of Revenues After Transfers, by Levels of Government	200
67	Allocation of Expenditures by Levels of Government, Before and After Transfer Payments	201

Balance of Payments

68	Summary of Balance of Payments	203
69	Bilateral Payments Balance with the United States	204
70	Bilateral Payments Balance with the Rest of the World	205
71	International Payments: Current Account	206
72	Merchandise Trade Detail: Exports	208
73	Merchandise Trade Detail: Imports	209
74	International Payments: Capital Movements	210
75	Net Proceeds from New Issues of Canadian Securities to Non-Residents	212
76	Canadian Chartered Banks' Head Office and Branches in Canada: Net Change in Foreign Currency Positions	214

International Reserves and Exchange Rates

77	Canada's Reserve Position with the International Monetary Fund	215
78	Canada's Official International Reserves	216
79	Price of Foreign Currencies in Canada	217
80	Indexes of Exchange Rates	218
81	Money Market and Eurodollar Rates	219

Government Bonds

82	Details of New Issues and Retirements of Government of Canada Direct and Guaranteed Marketable Bonds from January 1, 1981 to December 31, 1981	220
83	Changes in Marketable Securities and Canada Savings Bonds Outstanding	221

Mortgages

84	Mortgage Loans Approvals	222
85	Mortgage Loan Approvals by Private Lending Institutions	223

Financial Flows

86	Monetary Aggregates and Selected Banking System Statistics	224
87	Canadian Marketable Securities, Supply of Securities and Distribution of Holdings	225
88	Selected Interest Rates: Canada-United States	226

Reference Table 1
Demographic Developments
1947 – 1982

Year	Population as of June	Birth rate	Death rate	Natural rate of increase	Immigration rate	Annual growth rate of population	Number of families	Net family formation
	(Thousands of persons)		(Per thousand of population)			(Per cent)	(Thousands)	
1947.....	12,551	28.7	9.4	19.3	5.0	2.1	n.a.	n.a.
1948.....	12,823	27.3	9.3	17.8	9.8	2.2	n.a.	n.a.
1949.....	13,447	27.3	9.3	18.0	7.1	4.9	n.a.	n.a.
1950.....	13,712	27.1	9.1	18.0	5.4	2.0	n.a.	n.a.
1951.....	14,009	27.2	9.0	18.2	14.0	2.2	3,282	n.a.
1952.....	14,459	27.9	8.7	19.2	11.5	3.2	3,360	78
1953.....	14,845	28.1	8.6	19.5	11.5	2.7	3,423	63
1954.....	15,287	28.5	8.2	20.3	10.2	3.0	3,537	114
1955.....	15,698	28.2	8.2	20.0	7.1	2.7	3,625	88
1956.....	16,081	28.0	8.2	19.8	10.4	2.4	3,705	81
1957.....	16,610	28.2	8.2	20.0	17.0	3.3	3,796	90
1958.....	17,080	27.5	8.0	19.6	7.4	2.8	3,898	102
1959.....	17,483	27.4	8.1	19.4	6.2	2.4	3,982	84
1960.....	17,870	26.8	7.9	19.1	5.9	2.2	4,081	99
1961.....	18,238	26.1	7.8	18.5	3.5	2.1	4,140	59
1962.....	18,583	25.3	7.8	17.5	4.1	1.9	4,189	49
1963.....	18,931	24.6	7.8	16.8	5.0	1.9	4,258	69
1964.....	19,291	23.5	7.6	15.9	5.9	1.9	4,341	83
1965.....	19,644	21.3	7.6	13.7	7.5	1.8	4,432	91
1966.....	20,015	19.5	7.6	11.9	9.8	1.9	4,518	86
1967.....	20,378	18.3	7.4	10.9	11.0	1.8	4,608	90
1968.....	20,701	17.7	7.4	10.3	8.9	1.6	4,696	88
1969.....	21,001	17.7	7.4	10.3	7.7	1.4	4,807	110
1970.....	21,297	17.5	7.3	10.2	7.0	1.4	4,908	101
1971.....	21,568	16.8	7.3	9.5	5.7	1.3	5,043	135
1972.....	21,802	15.9	7.5	8.4	5.6	1.1	5,168	125
1973.....	22,043	15.6	7.4	8.2	8.4	1.1	5,299	131
1974.....	22,364	15.5	7.5	8.0	9.8	1.5	5,445	146
1975.....	22,697	15.8	7.4	8.4	8.3	1.5	5,589	144
1976.....	22,993	15.6	7.3	8.3	6.5	1.3	5,715	127
1977.....	23,287	15.6	7.3	8.3	4.9	1.3	5,810	96
1978.....	23,534	15.2	7.1	8.1	3.7	1.1	5,896	86
1979.....	23,769	15.4	7.1	8.3	4.7	1.0	5,969	73
1980.....	24,058	15.4	7.1	8.3	5.9	1.2	6,053	84
1981.....	24,342	15.2	7.0	8.2	5.3	1.2	n.a.	n.a.
1982.....	24,603	15.1	7.0	8.2	4.8	1.1	n.a.	n.a.

Source: Statistics Canada, *Vital Statistics*, annual, cat. 84-201 and monthly, cat. 84-001; Statistics Canada, *Estimates of Families in Canada*, cat. 91-204; and Department of Employment and Immigration.

Reference Table 2
Population by Province⁽¹⁾
1955 – 1982

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.
D	15	16	17	18	19	20	21	22	23	24	25 + 26
(Thousands)											
1955	406	100	683	547	4,517	5,266	839	878	1,091	1,342	29
1956	415	99	695	555	4,628	5,405	850	881	1,123	1,399	32
1957	424	99	701	562	4,769	5,636	862	880	1,164	1,482	31
1958	432	100	709	571	4,904	5,821	875	891	1,206	1,538	33
1959	441	101	719	582	5,024	5,969	891	907	1,248	1,567	34
1960	448	103	727	589	5,142	6,111	906	915	1,291	1,602	36
1961	458	105	737	598	5,259	6,236	922	925	1,332	1,629	38
1962	468	107	746	605	5,371	6,351	936	930	1,369	1,660	40
1963	476	108	751	609	5,481	6,481	949	933	1,403	1,699	41
1964	483	109	755	611	5,584	6,631	959	942	1,430	1,745	42
1965	488	109	756	615	5,685	6,788	965	950	1,450	1,797	41
1966	493	109	756	617	5,781	6,961	963	955	1,463	1,874	43
1967	499	109	760	620	5,864	7,127	963	957	1,490	1,945	44
1968	506	110	767	625	5,928	7,262	971	960	1,524	2,003	45
1969	514	111	775	628	5,985	7,385	979	958	1,559	2,060	47
1970	517	110	782	627	6,013	7,551	983	941	1,595	2,128	50
1971	522	112	789	635	6,028	7,703	988	926	1,628	2,185	53
1972	530	113	795	640	6,054	7,810	991	914	1,657	2,241	57
1973	537	114	804	647	6,079	7,909	996	905	1,690	2,302	60
1974	541	115	812	654	6,123	8,054	1,008	900	1,722	2,376	60
1975	549	117	820	665	6,179	8,172	1,014	907	1,778	2,433	63
1976	558	118	829	677	6,235	8,265	1,022	921	1,838	2,467	64
1977	560	120	833	684	6,295	8,355	1,028	935	1,911	2,500	65
1978	562	121	838	689	6,312	8,444	1,032	944	1,984	2,542	67
1979	563	122	842	693	6,347	8,504	1,030	952	2,059	2,590	67
1980	565	123	845	696	6,391	8,574	1,026	961	2,143	2,666	68
1981	568	122	847	696	6,438	8,625	1,026	968	2,237	2,744	69
1982	571	123	853	701	6,470	8,700	1,036	981	2,315	2,783	70
(Per cent change)											
1955	2.8	-1.0	1.5	1.3	2.9	3.0	1.9	0.6	3.2	3.6	7.4
1956	2.2	-0.7	1.7	1.4	2.5	2.6	1.3	0.3	2.9	4.2	8.6
1957	2.1	-0.3	0.9	1.3	3.0	4.3	1.4	-0.8	3.6	6.0	-1.6
1958	1.9	1.0	1.1	1.6	2.8	3.3	1.5	1.3	3.6	3.8	6.5
1959	2.1	1.0	1.4	1.9	2.4	2.5	1.8	1.8	3.5	1.9	3.0
1960	1.6	2.0	1.1	1.2	2.3	2.4	1.7	0.9	3.4	2.2	5.9
1961	2.2	1.6	1.4	1.5	2.3	2.0	1.7	1.1	3.2	1.7	4.4
1962	2.2	2.3	1.2	1.2	2.1	1.8	1.6	0.5	2.8	1.9	6.5
1963	1.7	0.9	0.7	0.7	2.0	2.0	1.4	0.3	2.5	2.3	2.5
1964	1.5	0.9	0.5	0.3	1.9	2.3	1.1	1.0	1.9	2.7	2.4
1965	1.0	0.0	0.1	0.7	1.8	2.4	0.6	0.8	1.4	3.0	-2.4
1966	1.1	-0.5	0.0	0.3	1.7	2.5	-0.2	0.6	0.9	4.3	5.1
1967	1.1	0.5	0.5	0.5	1.4	2.4	-0.1	0.2	1.8	3.8	2.1
1968	1.4	0.9	0.9	0.8	1.1	1.9	0.8	0.3	2.3	3.0	2.3
1969	1.6	0.9	1.0	0.5	1.0	1.7	0.8	-0.2	2.3	2.8	4.4
1970	0.6	-0.9	0.9	-0.2	0.5	2.2	0.4	-1.8	2.3	3.3	6.4
1971	1.0	1.5	0.9	1.2	0.2	2.0	0.5	-1.6	2.1	2.7	6.4
1972	1.5	0.9	0.7	0.9	0.4	1.4	0.3	-1.3	1.8	2.6	6.8
1973	1.4	1.2	1.2	1.1	0.4	1.3	0.5	-1.0	1.9	2.7	5.5
1974	0.8	1.1	0.9	1.0	0.7	1.8	1.1	-0.5	1.9	3.2	0.3
1975	1.4	1.6	1.0	1.8	0.9	1.5	0.6	0.9	3.2	2.4	4.0
1976	1.6	0.9	1.1	1.8	0.9	1.1	0.8	1.5	3.4	1.4	3.0
1977	0.5	1.4	0.5	1.0	1.0	1.1	0.6	1.4	4.0	1.3	1.1
1978	0.2	1.3	0.5	0.7	0.3	1.1	0.3	1.0	3.8	1.7	2.6
1979	0.2	0.5	0.6	0.5	0.6	0.7	-0.2	1.0	3.8	1.9	0.7
1980	0.4	0.8	0.4	0.5	0.7	0.8	-0.4	0.9	4.1	3.0	0.3
1981	0.4	-0.3	0.3	0.0	0.7	0.6	0.0	0.7	4.4	2.9	2.1
1982	0.6	0.2	0.6	0.6	0.5	0.9	0.9	1.4	3.5	1.4	2.2

Reference Table 2 (continued)
Population by Province⁽¹⁾
1955 – 1982

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.
(Percentage distribution of total among provinces)											
1955	2.6	0.6	4.4	3.5	28.8	33.5	5.3	5.6	6.9	8.5	0.2
1956	2.6	0.6	4.3	3.4	28.8	33.6	5.3	5.5	7.0	8.7	0.2
1957	2.6	0.6	4.2	3.4	28.7	33.9	5.2	5.3	7.0	8.9	0.2
1958	2.5	0.6	4.2	3.3	28.7	34.1	5.1	5.2	7.1	9.0	0.2
1959	2.5	0.6	4.1	3.3	28.7	34.1	5.1	5.2	7.1	9.0	0.2
1960	2.5	0.6	4.1	3.3	28.8	34.2	5.1	5.1	7.2	9.0	0.2
1961	2.5	0.6	4.0	3.3	28.8	34.2	5.1	5.1	7.3	8.9	0.2
1962	2.5	0.6	4.0	3.3	28.9	34.2	5.0	5.0	7.4	8.9	0.2
1963	2.5	0.6	4.0	3.2	29.0	34.2	5.0	4.9	7.4	9.0	0.2
1964	2.5	0.6	3.9	3.2	28.9	34.4	5.0	4.9	7.4	9.0	0.2
1965	2.5	0.6	3.8	3.1	28.9	34.6	4.9	4.8	7.4	9.1	0.2
1966	2.5	0.5	3.8	3.1	28.9	34.8	4.8	4.8	7.3	9.4	0.2
1967	2.4	0.5	3.7	3.0	28.8	35.0	4.7	4.7	7.3	9.5	0.2
1968	2.4	0.5	3.7	3.0	28.6	35.1	4.7	4.6	7.4	9.7	0.2
1969	2.4	0.5	3.7	3.0	28.5	35.2	4.7	4.6	7.4	9.8	0.2
1970	2.4	0.5	3.7	2.9	28.2	35.5	4.6	4.4	7.5	10.0	0.2
1971	2.4	0.5	3.7	2.9	27.9	35.7	4.6	4.3	7.5	10.1	0.2
1972	2.4	0.5	3.6	2.9	27.8	35.8	4.5	4.2	7.6	10.3	0.3
1973	2.4	0.5	3.6	2.9	27.6	35.9	4.5	4.1	7.7	10.4	0.3
1974	2.4	0.5	3.6	2.9	27.4	36.0	4.5	4.0	7.7	10.6	0.3
1975	2.4	0.5	3.6	2.9	27.2	36.0	4.5	4.0	7.8	10.7	0.3
1976	2.4	0.5	3.6	2.9	27.1	35.9	4.4	4.0	8.0	10.7	0.3
1977	2.4	0.5	3.6	2.9	27.0	35.9	4.4	4.0	8.2	10.7	0.3
1978	2.4	0.5	3.6	2.9	26.8	35.9	4.4	4.0	8.4	10.8	0.3
1979	2.4	0.5	3.5	2.9	26.7	35.8	4.3	4.0	8.7	10.9	0.3
1980	2.3	0.5	3.5	2.9	26.6	35.6	4.3	4.0	8.9	11.1	0.3
1981	2.3	0.5	3.5	2.9	26.4	35.4	4.2	4.0	9.2	11.3	0.3
1982	2.3	0.5	3.5	2.8	26.3	35.4	4.2	4.0	9.4	11.3	0.3

⁽¹⁾Population as of June.

Source: Statistics Canada, *Annual Estimates of Population for Canada and Provinces at June 1st*, annual, cat. 91-201.

Reference Table 3
Gross National Expenditure
1947 – 1982

Year	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Value of physical change in inventories	Exports of goods and services	Imports of goods and services	Residual error of estimate	Gross national expenditure at market prices
			Total	Government	Business	Housing					
D	40014 40254	40015 40255	40016 40256	40017 40257		40022 40262	40025 40265	40029 40269	40030 40270	40031 40271	40548 40551
(Millions of dollars)											
1947.....	9,362	1,343	2,350	304	1,591	455	343	3,661	-3,601	15	13,473
1948.....	10,370	1,454	3,057	424	1,974	659	97	4,055	-3,630	106	15,509
1949.....	11,365	1,722	3,439	456	2,188	795	78	4,004	-3,853	45	16,800
1950.....	12,482	1,928	3,862	521	2,388	953	549	4,158	-4,492	4	18,491
1951.....	13,857	2,811	4,424	640	2,950	834	871	5,052	-5,580	205	21,640
1952.....	15,162	3,620	5,096	779	3,371	946	499	5,568	-5,369	12	24,588
1953.....	16,181	3,824	5,733	782	3,699	1,252	600	5,380	-5,806	-79	25,833
1954.....	16,934	3,825	5,714	873	3,429	1,412	-202	5,137	-5,543	53	25,918
1955.....	18,388	4,036	6,422	948	3,689	1,785	285	5,749	-6,390	38	28,528
1956.....	20,090	4,426	8,000	1,144	5,031	1,825	985	6,350	-7,664	-129	32,058
1957.....	21,492	4,573	8,689	1,327	5,693	1,669	170	6,379	-7,767	-23	33,513
1958.....	22,845	4,854	8,535	1,397	5,049	2,089	-296	6,329	-7,321	-169	34,777
1959.....	24,390	4,976	8,647	1,508	5,006	2,133	414	6,674	-8,028	-227	36,846
1960.....	25,479	5,281	8,473	1,560	5,119	1,794	409	7,004	-8,092	-195	38,359
1961.....	25,930	6,206	8,392	1,674	4,929	1,789	116	7,624	-8,480	-142	39,646
1962.....	27,452	6,608	8,885	1,903	5,128	1,854	667	8,234	-9,045	126	42,927
1963.....	29,225	6,982	9,556	1,985	5,612	1,959	669	9,068	-9,561	39	45,978
1964.....	31,389	7,593	11,205	2,023	6,800	2,382	553	10,503	-10,913	-50	50,280
1965.....	33,947	8,358	13,179	2,440	8,105	2,634	1,244	11,182	-12,341	-205	55,364
1966.....	36,890	9,748	15,361	2,841	9,915	2,605	1,225	13,045	-14,259	-182	61,828
1967.....	39,972	11,153	15,628	2,954	9,865	2,809	260	14,663	-15,234	-33	66,409
1968.....	43,704	12,684	15,754	2,983	9,518	3,253	745	16,719	-17,010	-10	72,586
1969.....	47,492	14,241	17,232	3,055	10,332	3,845	1,467	18,761	-19,821	443	79,815
1970.....	50,327	16,630	18,015	3,173	11,342	3,500	105	21,167	-20,214	-345	85,685
1971.....	55,616	18,368	20,800	3,754	12,230	4,816	392	22,181	-22,016	-891	94,450
1972.....	62,208	20,291	23,051	3,968	13,263	5,820	544	24,580	-25,250	-190	105,234
1973.....	71,278	23,037	27,848	4,305	16,156	7,387	1,588	30,718	-30,954	45	123,560
1974.....	83,388	27,816	34,260	5,462	20,022	8,776	3,451	38,992	-41,009	630	147,528
1975.....	96,995	33,380	40,044	6,323	24,489	9,232	-239	40,452	-45,589	300	165,343
1976.....	110,886	38,325	44,895	6,318	26,256	12,321	1,563	45,601	-49,973	-266	191,031
1977.....	122,530	43,374	48,193	6,790	28,597	12,806	374	52,548	-57,262	-889	208,868
1978.....	135,153	47,811	52,261	7,140	31,598	13,523	494	62,985	-67,970	-244	230,490
1979.....	150,521	52,301	60,654	7,397	39,113	14,144	-3,711	77,181	-82,807	15	261,576
1980.....	168,395	58,538	68,905	8,277	46,635	13,993	-1,754	90,944	-93,287	128	291,869
1981.....	191,025	66,749	80,802	9,524	55,131	16,147	653	99,468	-106,375	-984	331,338
1982.....	205,952	75,748	76,393	10,620	53,039	12,734	-8,692	100,395	-99,150	-1,721	348,925

Reference Table 3 (continued)
Gross National Expenditure
1947 – 1982

Year	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Exports of goods and services	Imports of goods and services	Gross national expenditure at market prices
			Total	Government	Business	Housing			
(Per cent change)									
1948	10.8	8.3	30.1	39.5	24.1	44.8	10.8	0.8	15.1
1949	9.6	18.4	12.5	7.5	10.8	20.6	- 1.3	6.1	8.3
1950	9.8	12.0	12.3	14.3	9.1	19.9	3.8	16.6	10.1
1951	11.0	45.8	14.6	22.8	23.5	- 12.5	21.5	24.2	17.0
1952	9.4	28.8	15.2	21.7	14.3	13.4	10.2	- 3.8	13.6
1953	6.7	5.6	12.5	0.4	9.7	32.3	- 3.4	8.1	5.1
1954	4.7	0.0	- 0.3	11.6	- 7.3	12.8	- 4.5	- 4.5	0.3
1955	8.6	5.5	12.4	8.6	7.6	26.4	11.9	15.3	10.1
1956	9.3	9.7	24.6	20.7	36.4	2.2	10.5	19.9	12.4
1957	7.0	3.3	8.6	16.0	13.2	- 8.5	0.5	1.3	4.5
1958	6.3	6.1	- 1.8	5.3	- 11.3	25.2	- 0.8	5.7	3.8
1959	6.8	2.5	1.3	7.9	- 0.9	2.1	5.5	9.7	5.9
1960	4.5	6.1	- 2.0	3.4	2.3	- 15.9	4.9	0.8	4.1
1961	1.8	17.5	- 1.0	7.3	- 3.7	- 0.3	8.9	4.8	3.4
1962	5.9	6.5	5.9	13.7	4.0	3.6	8.0	6.7	8.3
1963	6.5	5.7	7.6	4.3	9.4	5.7	10.1	- 5.7	7.1
1964	7.4	8.8	17.3	1.9	21.2	21.6	15.8	14.1	9.4
1965	8.1	10.1	17.6	20.6	19.2	10.6	6.5	13.1	10.1
1966	8.7	16.6	16.6	16.4	22.3	- 1.1	16.7	15.5	11.7
1967	8.4	14.4	1.7	4.0	- 0.5	7.8	12.4	6.8	7.4
1968	9.3	13.7	0.8	1.0	- 3.5	15.8	14.0	11.7	9.3
1969	8.7	12.3	9.4	2.4	8.6	18.2	12.2	16.5	10.0
1970	6.0	16.8	4.5	3.9	9.8	- 9.0	12.8	2.0	7.4
1971	10.5	10.5	15.5	18.3	7.8	37.6	4.8	8.9	10.2
1972	11.9	10.5	10.8	5.7	8.4	20.8	10.8	14.7	11.4
1973	14.6	13.5	20.8	8.5	21.8	26.9	25.0	22.6	17.4
1974	17.0	20.7	23.0	26.9	23.9	18.8	26.9	32.5	19.4
1975	16.3	20.0	16.9	15.8	22.3	5.2	3.7	11.2	12.1
1976	14.3	14.8	12.1	- 0.1	7.2	33.5	12.7	9.6	15.5
1977	10.5	13.2	7.3	7.5	8.9	3.9	15.2	14.6	9.3
1978	10.3	10.2	8.4	5.2	10.5	5.6	19.9	18.7	10.3
1979	11.4	9.4	16.1	3.6	23.8	4.6	22.5	21.8	13.5
1980	11.9	11.9	13.6	11.9	19.2	- 1.1	17.8	12.7	11.6
1981	13.4	14.0	17.3	15.1	18.2	15.4	9.4	14.0	13.5
1982	7.8	13.5	- 5.5	11.5	- 3.8	- 21.1	0.9	- 6.8	5.3

Source: Statistics Canada, *National Income and Expenditure Accounts*, annual, cat. 13-531, and quarterly, cat. 13-001.

Reference Table 4
Gross National Expenditure in Constant 1971 Dollars
1947 – 1982

Year	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Value of physical change in inventories	Exports of goods and services	Imports of goods and services	Residual error of estimate	Gross national expenditure in constant 1971 dollars
			Total	Government	Business ⁽¹⁾	Housing					
D	40562 40594	40568 40600	40569 40601	40570 40602		40576 40608	40581 40613	40586 40618	40588 40620	40540 40622	40561 40593
(Millions of dollars)											
1947.....	18,546	4,747	5,316	627	3,604	1,085	672	6,170	-6,411	39	29,498
1948.....	18,099	4,504	6,103	779	3,982	1,342	109	6,375	-5,781	211	30,231
1949.....	19,138	4,982	6,553	806	4,195	1,552	215	5,997	-5,939	83	31,388
1950.....	20,394	5,367	7,042	884	4,385	1,773	789	5,956	-6,469	10	33,762
1951.....	20,546	7,000	7,068	915	4,807	1,346	1,025	6,513	-7,277	333	35,450
1952.....	21,984	8,624	7,892	1,090	5,303	1,499	481	7,260	-7,527	20	38,617
1953.....	23,512	8,890	8,861	1,162	5,732	1,967	752	7,185	-8,151	-124	40,605
1954.....	24,375	8,549	8,858	1,296	5,325	2,237	-238	6,917	-7,761	86	40,106
1955.....	26,456	8,736	9,678	1,308	5,594	2,776	410	7,442	-8,799	61	43,891
1956.....	28,440	8,956	11,446	1,425	7,227	2,794	1,144	8,002	-10,215	-187	47,599
1957.....	29,504	8,807	12,262	1,751	8,026	2,485	249	8,075	-10,096	-31	48,718
1958.....	30,562	9,074	12,126	1,942	7,064	3,120	-280	8,047	-9,386	-239	49,844
1959.....	32,264	8,999	12,191	2,090	6,911	3,190	468	8,360	-10,357	-317	51,737
1960.....	33,392	9,218	11,790	2,142	7,017	2,631	523	8,717	-10,347	-271	53,231
1961.....	33,761	10,494	11,748	2,378	6,768	2,602	251	9,374	-10,559	-196	54,741
1962.....	35,272	10,911	12,278	2,664	6,910	2,704	756	9,744	-10,769	175	58,475
1963.....	36,992	11,070	12,841	2,682	7,365	2,794	764	10,631	-11,125	54	61,487
1964.....	39,218	11,637	14,549	2,652	8,633	3,264	655	12,058	-12,595	-64	65,610
1965.....	41,606	12,253	16,259	3,003	9,843	3,413	1,441	12,606	-14,140	-256	69,981
1966.....	43,778	13,388	18,015	3,307	11,540	3,168	1,385	14,315	-15,989	-215	74,844
1967.....	45,863	14,343	17,942	3,403	11,310	3,229	253	15,770	-16,805	-31	77,344
1968.....	48,138	15,429	17,964	3,430	10,832	3,702	771	17,727	-18,284	-6	81,864
1969.....	50,353	15,993	18,850	3,350	11,325	4,175	1,518	19,462	-20,727	491	86,225
1970.....	51,526	17,650	18,904	3,329	11,857	3,718	84	21,223	-20,588	-341	88,390
1971.....	55,616	18,368	20,800	3,754	12,230	4,816	392	22,181	-22,016	-891	94,450
1972.....	59,841	18,930	21,955	3,772	12,751	5,432	515	23,655	-24,489	-159	100,248
1973.....	63,879	19,795	24,384	3,751	14,667	5,966	1,346	26,156	-27,824	76	107,812
1974.....	67,160	20,584	25,694	3,957	15,802	5,935	2,642	25,620	-30,538	516	111,678
1975.....	70,645	21,399	26,661	4,127	17,031	5,503	-252	23,993	-29,684	243	113,005
1976.....	75,251	21,689	27,397	3,860	16,973	6,564	988	26,225	-32,166	-135	119,249
1977.....	77,416	22,392	27,173	3,859	17,162	6,152	82	28,046	-32,844	-503	121,762
1978.....	79,539	22,797	27,166	3,769	17,355	6,042	244	30,958	-34,393	-120	126,191
1979.....	81,123	23,011	28,936	3,560	19,503	5,873	1,735	31,868	-36,857	34	129,850
1980.....	81,984	22,782	30,054	3,591	20,951	5,512	-775	32,447	-36,113	88	130,467
1981.....	83,535	22,988	31,777	3,670	22,286	5,821	687	32,979	-37,064	-362	134,540
1982.....	81,485	23,145	27,927	3,748	19,724	4,455	-3,170	32,493	-33,219	-604	128,057

Reference Table 4 (continued)
Gross National Expenditure in Constant 1971 Dollars
1948 – 1982

Year	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Exports of goods and services	Imports of goods and services	Gross national expenditure in constant 1971 dollars
			Total	Government	Business ⁽¹⁾	Housing			
(Per cent change)									
1948	-2.4	-5.1	14.8	24.2	10.5	23.7	3.3	-9.8	2.5
1949	5.7	10.6	7.4	3.5	5.3	15.6	-5.9	2.7	3.8
1950	6.6	7.7	7.5	9.7	4.5	14.2	-0.7	8.9	7.6
1951	0.7	30.4	0.4	3.5	9.6	-24.1	9.4	12.5	5.0
1952	7.0	23.2	11.7	19.1	10.3	11.4	11.5	3.4	8.9
1953	7.0	3.1	12.3	6.6	8.1	31.2	-1.0	8.3	5.1
1954	3.7	-3.8	0.0	11.5	-7.1	13.7	-3.7	-4.8	-1.2
1955	8.5	2.2	9.3	0.9	5.1	24.1	7.6	13.4	9.4
1956	7.5	2.5	18.3	8.9	29.2	0.6	7.5	16.1	8.4
1957	3.7	-1.7	7.1	22.9	11.1	-11.1	0.9	-1.2	2.4
1958	3.6	3.0	-1.1	10.9	-12.0	25.6	-0.3	-7.0	2.3
1959	5.6	-0.8	0.5	7.6	-2.2	2.2	3.9	10.3	3.8
1960	3.5	2.4	-3.3	2.5	1.5	-17.5	4.3	-0.1	2.9
1961	1.1	13.8	-0.4	11.0	-3.5	-1.1	7.5	2.0	2.8
1962	4.5	4.0	4.5	12.0	2.1	3.9	3.9	2.0	6.8
1963	4.9	1.5	4.6	0.7	6.6	3.3	9.1	3.3	5.2
1964	6.0	5.1	13.3	-1.1	17.2	16.8	13.4	13.2	6.7
1965	6.1	5.3	11.8	13.2	14.0	4.6	4.5	12.3	6.7
1966	5.2	9.3	10.8	10.1	17.2	-7.2	13.6	13.1	6.9
1967	4.8	7.1	-0.4	2.9	-2.0	1.9	10.2	5.1	3.3
1968	5.0	7.6	0.1	0.8	-4.2	14.6	12.4	8.8	5.8
1969	4.6	3.7	4.9	-2.3	4.6	12.8	9.8	13.4	5.3
1970	2.3	10.4	0.3	-0.6	4.7	-10.9	9.0	-0.7	2.5
1971	7.9	4.1	10.0	12.8	3.1	29.5	4.5	6.9	6.9
1972	7.6	3.1	5.6	0.5	4.3	12.8	6.6	11.2	6.1
1973	6.7	4.6	11.1	-0.6	15.0	9.8	10.6	13.6	7.5
1974	5.1	4.0	5.4	5.5	7.7	-0.5	-2.0	9.8	3.6
1975	5.2	4.0	3.8	4.3	7.8	-7.3	-6.4	-2.8	1.2
1976	6.5	1.4	2.8	-6.5	-0.3	19.3	9.3	8.4	5.5
1977	2.9	3.2	-0.8	0.0	1.1	-6.3	6.9	2.1	2.1
1978	2.7	1.8	0.0	-2.3	1.1	-1.8	10.4	4.7	3.6
1979	2.0	0.9	6.5	-5.5	12.4	-2.8	2.9	7.2	2.9
1980	1.1	-1.0	3.9	0.9	7.4	-6.1	1.8	-2.0	0.5
1981	1.9	0.9	5.7	2.2	6.4	5.6	1.6	2.6	3.1
1982	-2.5	0.7	-12.1	2.1	-11.5	-23.5	-1.5	-10.4	-4.8

Source: Statistics Canada, *National Income and Expenditure Accounts*.

⁽¹⁾The data prior to 1971 include adjusting entries in the national accounts for business gross fixed capital formation.

Reference Table 5

Structural Changes in Demand**(Percentage Distribution of Gross National Expenditure by Components)****1947 – 1982**

Year	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Value of physical change in inventories	Exports of goods and services	Imports of goods and services	Residual error of estimate	Gross national expenditure at market prices
			Total	Government	Business	Housing					
1947.....	69.5	10.0	17.4	2.3	11.8	3.4	2.5	27.2	-26.7	0.1	100.0
1948.....	66.9	9.4	19.7	2.7	12.7	4.2	0.6	26.1	-23.4	0.7	100.0
1949.....	67.6	10.2	20.5	2.7	13.0	4.7	0.5	23.8	-22.9	0.3	100.0
1950.....	67.5	10.4	20.9	2.8	12.9	5.2	3.0	22.5	-24.3	0.0	100.0
1951.....	64.0	13.0	20.4	3.0	13.6	3.9	4.0	23.3	-25.8	0.9	100.0
1952.....	61.7	14.7	20.7	3.2	13.7	3.8	2.0	22.6	-21.8	0.0	100.0
1953.....	62.6	14.8	22.2	3.0	14.3	4.8	2.3	20.8	-22.5	-0.3	100.0
1954.....	65.3	14.8	22.0	3.4	13.2	5.4	-0.8	19.8	-21.4	0.2	100.0
1955.....	64.5	14.1	22.5	3.3	12.9	6.3	1.0	20.2	-22.4	0.1	100.0
1956.....	62.7	13.8	25.0	3.6	15.7	5.7	3.1	19.8	-23.9	-0.4	100.0
1957.....	64.1	13.6	25.9	4.0	17.0	5.0	0.5	19.0	-23.2	-0.1	100.0
1958.....	65.7	14.0	24.5	4.0	14.5	6.0	-0.9	18.2	-21.1	-0.5	100.0
1959.....	66.2	13.5	23.5	4.1	13.6	5.8	1.1	18.1	-21.8	-0.6	100.0
1960.....	66.4	13.8	22.1	4.1	13.3	4.7	1.1	18.3	-21.1	-0.5	100.0
1961.....	65.4	15.7	21.2	4.2	12.4	4.5	0.3	19.2	-21.4	-0.4	100.0
1962.....	64.0	15.4	20.7	4.4	11.9	4.3	1.6	19.2	-21.1	0.3	100.0
1963.....	63.6	15.2	20.8	4.3	12.2	4.3	1.5	19.7	-20.8	0.1	100.0
1964.....	62.4	15.1	22.3	4.0	13.5	4.7	1.1	20.9	-21.7	-0.1	100.0
1965.....	61.3	15.1	23.8	4.4	14.6	4.8	2.2	20.2	-22.3	-0.4	100.0
1966.....	59.7	15.8	24.8	4.6	16.0	4.2	2.0	21.1	-23.1	-0.3	100.0
1967.....	60.2	16.8	23.5	4.4	14.9	4.2	0.4	22.1	-22.9	0.0	100.0
1968.....	60.2	17.5	21.7	4.1	13.1	4.5	1.0	23.0	-23.4	0.0	100.0
1969.....	59.5	17.8	21.6	3.8	12.9	4.8	1.8	23.5	-24.8	0.6	100.0
1970.....	58.7	19.4	21.0	3.7	13.2	4.1	0.1	24.7	-23.6	-0.4	100.0
1971.....	58.9	19.4	22.0	4.0	12.9	5.1	0.4	23.5	-23.3	-0.9	100.0
1972.....	59.1	19.3	21.9	3.8	12.6	5.5	0.5	23.4	-24.0	-0.2	100.0
1973.....	57.7	18.6	22.5	3.5	13.1	6.0	1.3	24.9	-25.1	0.0	100.0
1974.....	56.5	18.9	23.2	3.7	13.6	5.9	2.3	26.4	-27.8	0.4	100.0
1975.....	58.7	20.2	24.2	3.8	14.8	5.6	-0.1	24.5	-27.6	0.2	100.0
1976.....	58.0	20.1	23.5	3.3	13.7	6.4	0.8	23.9	-26.2	-0.1	100.0
1977.....	58.6	20.8	23.1	3.3	13.7	6.1	0.2	25.2	-27.4	-0.4	100.0
1978.....	58.7	20.7	22.7	3.1	13.7	5.9	0.2	27.3	-29.5	-0.1	100.0
1979.....	57.5	20.0	23.2	2.8	14.9	5.4	1.4	29.5	-31.7	0.0	100.0
1980.....	57.7	20.1	23.6	2.8	16.0	4.8	-0.6	31.2	-32.0	0.0	100.0
1981.....	57.6	20.1	24.4	2.9	16.6	4.9	0.2	30.0	-32.1	-0.3	100.0
1982.....	59.0	21.7	21.9	3.0	15.2	3.7	-2.5	28.8	-28.4	-0.5	100.0

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 6
Structural Changes in Demand
(Percentage Distribution of Gross National Expenditure
in Constant 1971 Dollars by Components)
1947 – 1982

Year	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Value of physical change in inventories	Exports of goods and services	Imports of goods and services	Residual error of estimate	Gross national expenditure in constant 1971 dollars
			Total	Government	Business	Housing					
1947.....	62.9	16.1	18.0	2.1	12.2	3.7	2.3	20.9	-21.7	0.1	100.0
1948.....	59.9	14.9	20.2	2.6	13.2	4.4	0.4	21.1	-19.1	0.7	100.0
1949.....	61.0	15.9	20.9	2.6	13.4	4.9	0.7	19.1	-18.9	0.3	100.0
1950.....	60.4	15.9	20.9	2.6	13.0	5.3	2.3	17.6	-19.2	0.0	100.0
1951.....	58.0	19.7	19.9	2.6	13.6	3.8	2.9	18.4	-20.5	0.9	100.0
1952.....	56.9	22.3	20.4	2.8	13.7	3.9	1.2	18.8	-19.5	0.1	100.0
1953.....	57.9	21.9	21.8	2.9	14.1	4.8	1.9	17.7	-20.1	-0.3	100.0
1954.....	60.8	21.3	22.1	3.2	13.3	5.6	-0.6	17.2	-19.4	0.2	100.0
1955.....	60.3	19.9	22.1	3.0	12.7	6.3	0.9	17.0	-20.0	0.1	100.0
1956.....	59.7	18.8	24.0	3.0	15.2	5.9	2.4	16.8	-21.5	-0.4	100.0
1957.....	60.6	18.1	25.2	3.6	16.5	5.1	0.5	16.6	-20.7	-0.1	100.0
1958.....	61.3	18.2	24.3	3.9	14.2	6.3	-0.6	16.1	-18.8	-0.5	100.0
1959.....	62.4	17.4	23.6	4.0	13.4	6.2	0.9	16.2	-20.0	-0.6	100.0
1960.....	62.7	17.3	22.1	4.0	13.2	4.9	1.0	16.4	-19.4	-0.5	100.0
1961.....	61.7	19.2	21.5	4.3	12.4	4.8	0.5	17.1	-19.3	-0.4	100.0
1962.....	60.3	18.7	21.0	4.6	11.8	4.6	1.3	16.7	-18.4	0.3	100.0
1963.....	60.2	18.0	20.9	4.4	12.0	4.5	1.2	17.3	-18.1	0.1	100.0
1964.....	59.8	17.7	22.2	4.0	13.2	5.0	1.0	18.4	-19.2	-0.1	100.0
1965.....	59.5	17.5	23.2	4.3	14.1	4.9	2.1	18.0	-20.2	-0.4	100.0
1966.....	58.5	17.9	24.1	4.4	15.4	4.2	1.9	19.1	-21.4	-0.3	100.0
1967.....	59.3	18.5	23.2	4.4	14.6	4.2	0.3	20.4	-21.7	0.0	100.0
1968.....	58.8	18.8	21.9	4.2	13.2	4.5	0.9	21.7	-22.3	0.0	100.0
1969.....	58.4	18.5	21.9	3.9	13.1	4.8	1.8	22.6	-24.0	0.6	100.0
1970.....	58.3	20.0	21.4	3.8	13.4	4.2	0.1	24.0	-23.3	-0.4	100.0
1971.....	58.9	19.4	22.0	4.0	12.9	5.1	0.4	23.5	-23.3	-0.9	100.0
1972.....	59.7	18.9	21.9	3.8	12.7	5.4	0.5	23.6	-24.4	-0.2	100.0
1973.....	59.3	18.4	22.6	3.5	13.6	5.5	1.2	24.3	-25.8	0.1	100.0
1974.....	60.1	18.4	23.0	3.5	14.1	5.3	2.4	22.9	-27.3	0.5	100.0
1975.....	62.5	18.9	23.6	3.6	15.1	4.9	-0.2	21.2	-26.3	0.2	100.0
1976.....	63.1	18.2	23.0	3.2	14.2	5.5	0.8	22.0	-27.0	-0.1	100.0
1977.....	63.6	18.4	22.3	3.2	14.1	5.1	0.1	23.0	-27.0	-0.4	100.0
1978.....	63.0	18.1	21.5	3.0	13.8	4.8	0.2	24.5	-27.3	-0.1	100.0
1979.....	62.5	17.7	22.3	2.7	15.0	4.5	1.3	24.5	-28.4	0.0	100.0
1980.....	62.8	17.5	23.0	2.8	16.1	4.2	-0.6	24.9	-27.7	0.1	100.0
1981.....	62.1	17.1	23.6	2.7	16.6	4.3	0.5	24.5	-27.6	-0.3	100.0
1982.....	63.6	18.1	21.8	2.9	15.4	3.5	-2.5	25.4	-25.9	-0.5	100.0

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 7
Gross Expenditure Per Capita, Canada and by Province
1962 – 1981

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
D	31720 31236	31742 31237	31764 31238	31786 31239	31808 31240	31830 31241	31852 31242	31874 31243	31896 31244	44014 31245	31940 31246 + 31247	31698 31248
(Dollars)												
1962	1,140	1,158	1,503	1,373	2,132	2,804	2,159	2,201	2,507	2,588	2,085	2,354
1963	1,221	1,192	1,565	1,441	2,204	2,933	2,227	2,591	2,637	2,718	2,198	2,472
1964	1,349	1,302	1,669	1,612	2,398	3,148	2,386	2,456	2,774	2,921	2,250	2,647
1965	1,450	1,415	1,789	1,750	2,584	3,372	2,547	2,652	3,029	3,189	3,080	2,856
1966	1,632	1,517	1,973	1,920	2,818	3,677	2,730	3,121	3,424	3,422	3,316	3,133
1967	1,712	1,614	2,142	2,029	3,005	3,911	2,964	2,861	3,612	3,603	3,486	3,315
1968	1,916	1,814	2,346	2,214	3,172	4,225	3,248	3,031	3,919	3,838	3,993	3,562
1969	2,082	1,944	2,651	2,404	3,431	4,596	3,509	3,265	4,230	4,234	4,291	3,876
1970	2,311	2,178	2,828	2,603	3,647	4,802	3,710	3,215	4,493	4,284	4,540	4,069
1971	2,479	2,307	2,995	2,810	3,918	5,171	3,996	3,788	4,884	4,709	4,306	4,408
1972	2,529	2,551	3,395	3,209	4,337	5,731	4,408	3,997	5,441	5,264	4,904	4,886
1973	2,952	3,216	3,887	3,726	4,936	6,518	5,226	5,222	6,693	6,376	6,312	5,686
1974	3,498	3,318	4,382	4,334	5,790	7,495	6,124	6,964	9,140	7,264	8,205	6,725
1975	3,888	3,887	4,865	4,860	6,435	8,104	6,871	7,812	10,571	7,831	7,660	7,410
1976	4,542	4,422	5,590	5,402	7,417	9,201	7,759	8,591	11,623	9,184	7,539	8,436
1977	5,044	4,664	6,047	5,763	7,954	9,929	8,146	8,938	12,932	10,105	9,486	9,132
1978	5,358	5,366	6,744	6,452	8,811	10,727	8,945	10,080	14,641	11,091	10,762	10,048
1979	6,414	5,967	7,443	7,603	9,820	11,999	10,016	11,488	17,151	12,718	13,220	11,373
1980	6,414	6,345	7,545	7,380	10,740	13,032	10,793	13,444	19,305	13,829	14,197	12,427
1981	7,354	7,138	8,673	8,928	12,165	15,069	12,462	15,400	20,657	15,480	15,855	14,148
(Per cent change)												
1963	7.1	2.9	4.1	5.0	3.4	4.6	3.1	17.7	5.2	5.0	5.4	5.0
1964	10.5	9.2	6.7	11.9	8.8	7.3	7.1	-5.2	5.2	7.4	2.4	7.1
1965	7.5	8.7	7.2	8.5	7.7	7.1	6.8	8.0	9.2	9.2	36.9	7.9
1966	12.5	7.3	10.3	9.7	9.1	9.0	7.2	17.7	13.1	7.3	7.7	9.7
1967	4.9	6.3	8.5	5.7	6.6	6.4	8.6	-8.3	5.5	5.3	5.1	5.8
1968	11.9	12.4	9.5	9.1	5.5	8.0	9.6	5.9	8.5	6.5	14.5	7.5
1969	8.7	7.2	13.0	8.6	8.2	8.8	8.0	7.7	7.9	10.3	7.5	8.8
1970	11.0	12.0	6.7	8.3	6.3	4.5	5.7	-1.5	6.2	1.2	5.8	5.0
1971	7.3	5.9	5.9	8.0	7.4	7.7	7.7	17.8	8.7	9.9	-5.2	8.3
1972	2.0	10.6	13.4	14.2	10.7	10.8	10.3	5.5	11.4	11.8	13.9	10.8
1973	16.7	26.0	14.5	16.1	13.8	13.7	18.6	30.6	23.0	21.1	28.7	16.4
1974	18.5	3.2	12.7	16.3	17.3	15.0	17.2	33.4	36.6	13.9	30.0	18.3
1975	11.1	17.1	11.0	12.1	11.1	8.1	12.2	12.2	15.7	7.8	-6.6	10.2
1976	16.9	14.0	15.1	11.4	16.1	14.5	12.9	9.9	10.1	17.7	-1.6	14.5
1977	11.7	5.5	8.4	7.2	7.1	8.0	5.1	4.3	10.4	9.8	24.1	8.2
1978	7.1	15.5	10.3	13.2	11.0	7.9	10.0	13.4	12.5	9.5	12.2	10.0
1979	20.2	11.9	10.4	20.4	10.2	11.6	11.8	13.9	16.9	13.9	20.6	12.7
1980	0.1	6.3	3.9	-5.4	10.3	9.6	9.1	17.7	14.0	8.7	15.0	10.2
1981	12.4	11.1	13.2	19.4	12.6	13.9	13.9	13.6	7.2	12.7	8.9	12.8

Reference Table 7 (continued)
Gross Expenditure Per Capita, Canada and by Province
1962 – 1981

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
(Personal expenditure per capita, by province, as a percentage of personal expenditure per capita at the national level)												
1962	48.4	49.2	63.8	58.3	90.5	119.1	91.7	93.5	106.5	109.9	88.6	100.0
1963	49.4	48.2	63.3	58.3	89.2	118.7	90.1	104.8	106.7	110.0	88.9	100.0
1964	50.9	49.2	63.1	60.9	90.6	118.9	90.1	92.8	104.8	110.3	85.0	100.0
1965	50.8	49.5	62.7	61.3	90.5	118.1	89.2	92.9	106.1	111.7	107.9	100.0
1966	52.1	48.4	63.0	61.3	90.0	117.4	87.1	99.6	109.3	109.2	105.6	100.0
1967	51.7	48.7	64.6	61.2	90.7	118.0	89.4	86.3	109.0	108.7	105.2	100.0
1968	53.8	50.9	65.8	62.2	89.0	118.6	91.2	85.1	110.0	107.7	112.1	100.0
1969	53.7	50.2	68.4	62.0	88.5	118.6	90.5	84.2	109.1	109.2	110.7	100.0
1970	56.8	53.5	69.5	64.0	89.6	118.0	91.2	79.0	110.4	105.3	111.6	100.0
1971	56.2	52.3	68.0	63.8	88.9	117.3	90.7	85.9	110.8	106.8	97.7	100.0
1972	51.8	52.2	69.5	65.7	88.8	117.3	90.2	81.8	111.4	107.7	100.4	100.0
1973	51.9	56.6	68.4	65.5	86.8	114.6	91.9	91.8	117.7	112.1	111.0	100.0
1974	52.0	49.3	65.2	64.4	86.1	111.4	91.1	103.5	135.9	108.0	122.0	100.0
1975	52.5	52.5	65.7	65.6	86.8	109.4	92.7	105.4	142.7	105.7	103.4	100.0
1976	53.6	52.2	66.0	63.8	88.1	109.4	91.4	101.2	137.1	108.6	88.8	100.0
1977	55.3	50.9	66.1	63.2	87.2	109.2	88.8	97.5	140.0	110.2	101.9	100.0
1978	53.8	53.4	66.3	65.0	88.0	107.1	88.8	100.6	143.2	109.7	103.9	100.0
1979	57.4	53.1	64.9	69.4	86.1	106.0	88.1	101.2	148.5	110.9	111.2	100.0
1980	52.1	51.2	61.1	59.6	86.1	105.5	87.2	108.0	153.6	109.5	116.1	100.0
1981	52.0	50.5	61.3	63.1	86.0	106.5	88.1	108.9	146.0	109.4	112.1	100.0

Note: Gross expenditure per capita is obtained by dividing personal expenditure by population as of June. Percentages are calculated from unrounded data.

Source: Statistics Canada, *Annual Estimates of Population for Canada and Provinces as of June 1*; *Provincial Economic Accounts*, annual, cat. 13-213.

Reference Table 8
Gross Provincial Expenditure
1962 – 1981

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
D	31720	31742	31764	31786	31808	31830	31852	31874	31896	44014	31940	31698
(Millions of dollars)												
1962.....	533	124	1,121	830	11,449	17,811	2,021	2,047	3,432	4,296	83	43,749
1963.....	581	129	1,175	878	12,081	19,009	2,113	2,417	3,700	4,618	90	46,791
1964.....	651	142	1,260	985	13,392	20,876	2,288	2,313	3,964	5,096	94	51,062
1965.....	708	154	1,352	1,076	14,691	22,888	2,458	2,520	4,391	5,730	126	56,095
1966.....	805	165	1,492	1,184	16,292	25,594	2,629	2,981	5,009	6,413	143	62,706
1967.....	854	176	1,628	1,258	17,621	27,873	2,854	2,738	5,382	7,008	153	67,547
1968.....	969	200	1,799	1,384	18,802	30,683	3,154	2,910	5,973	7,688	180	73,740
1969.....	1,070	216	2,055	1,510	20,534	33,944	3,435	3,128	6,594	8,722	202	81,410
1970.....	1,195	240	2,211	1,632	21,931	36,258	3,647	3,025	7,166	9,116	227	86,648
1971.....	1,294	256	2,363	1,784	23,620	39,829	3,948	3,507	7,951	10,289	228	95,071
1972.....	1,341	288	2,699	2,054	26,258	44,762	4,369	3,654	9,016	11,796	280	106,517
1973.....	1,585	367	3,125	2,410	30,006	51,548	5,205	4,726	11,311	14,677	379	125,339
1974.....	1,892	382	3,558	2,835	35,451	60,363	6,167	6,268	15,739	17,260	492	150,407
1975.....	2,134	455	3,989	3,232	39,762	66,230	6,967	7,086	18,796	19,054	483	168,186
1976.....	2,537	523	4,640	3,664	46,598	76,696	7,929	7,909	21,384	22,739	482	195,101
1977.....	2,848	561	5,056	3,967	50,405	83,735	8,383	8,372	24,556	25,303	608	213,793
1978.....	3,055	653	5,610	4,523	56,092	91,309	9,257	9,577	28,691	28,170	703	237,640
1979.....	3,680	737	6,322	5,497	62,182	102,641	10,329	10,963	34,795	32,700	848	270,574
1980.....	3,696	790	6,476	5,204	69,047	113,446	11,227	13,024	41,280	36,604	990	301,784
1981.....	4,177	878	7,355	6,214	78,316	129,970	12,786	14,907	46,209	42,477	1,094	344,383
(Per cent change)												
1963.....	8.9	3.9	4.8	5.7	5.5	6.7	4.6	18.1	7.8	7.5	8.0	7.0
1964.....	12.1	10.3	7.3	12.3	10.8	9.8	8.2	-4.3	7.2	10.3	4.9	9.1
1965.....	8.6	8.7	7.3	9.3	9.7	9.6	7.4	8.9	10.8	12.4	33.7	9.9
1966.....	13.7	7.3	10.3	10.1	10.9	11.8	6.9	18.3	14.1	11.9	12.9	11.8
1967.....	6.2	6.3	9.1	6.2	8.2	8.9	8.6	-8.1	7.5	9.3	7.6	7.7
1968.....	13.5	13.4	10.5	10.0	6.7	10.1	10.5	6.3	11.0	9.7	17.1	9.2
1969.....	10.4	8.2	14.2	9.1	9.2	10.6	8.9	7.5	10.4	13.5	12.2	10.4
1970.....	11.7	11.0	7.6	8.1	6.8	6.8	6.2	-3.3	8.7	4.5	12.5	6.4
1971.....	8.3	6.9	6.9	9.4	7.7	9.8	8.3	15.9	11.0	12.9	.5	9.7
1972.....	3.6	12.6	14.2	15.1	11.2	12.4	10.7	4.2	13.4	14.6	22.5	12.0
1973.....	18.2	27.2	15.8	17.4	14.3	15.2	19.1	29.3	25.5	24.4	35.5	17.7
1974.....	19.4	4.1	13.9	17.6	18.1	17.1	18.5	32.6	39.1	17.6	30.0	20.0
1975.....	12.8	19.2	12.1	14.0	12.2	9.7	13.0	13.1	19.4	10.4	-2.0	11.8
1976.....	18.8	15.0	16.3	13.4	17.2	15.8	13.8	11.6	13.8	19.3	0.0	16.0
1977.....	12.3	7.2	9.0	8.3	8.2	9.2	5.7	5.9	14.8	11.3	26.0	9.6
1978.....	7.3	16.5	11.0	14.0	11.3	9.0	10.4	14.4	16.8	11.3	15.6	11.2
1979.....	20.5	12.9	10.9	21.1	10.9	12.4	11.6	14.5	21.3	16.1	20.6	13.9
1980.....	0.4	7.2	4.1	-5.0	11.0	10.5	8.7	18.8	18.6	11.9	16.7	11.5
1981.....	13.0	11.1	13.6	19.4	13.4	14.6	13.9	14.5	11.9	16.0	10.5	14.1

Reference Table 8 (continued)
Gross Provincial Expenditure
1962 – 1981

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
(Percentage distribution of total among provinces)												
1962	1.2	0.3	2.6	1.9	26.2	40.7	4.6	4.7	7.8	9.8	0.2	100.0
1963	1.2	0.3	2.5	1.9	25.8	40.6	4.5	5.2	7.9	9.9	0.2	100.0
1964	1.3	0.3	2.5	1.9	26.2	40.9	4.5	4.5	7.8	10.0	0.2	100.0
1965	1.3	0.3	2.4	1.9	26.2	40.8	4.4	4.5	7.8	10.2	0.2	100.0
1966	1.3	0.3	2.4	1.9	26.0	40.8	4.2	4.8	8.0	10.2	0.2	100.0
1967	1.3	0.3	2.4	1.9	26.1	41.3	4.2	4.1	8.0	10.4	0.2	100.0
1968	1.3	0.3	2.4	1.9	25.5	41.6	4.3	3.9	8.1	10.4	0.2	100.0
1969	1.3	0.3	2.5	1.9	25.2	41.7	4.2	3.8	8.1	10.7	0.2	100.0
1970	1.4	0.3	2.6	1.9	25.3	41.8	4.2	3.5	8.3	10.5	0.3	100.0
1971	1.4	0.3	2.5	1.9	24.8	41.9	4.2	3.7	8.4	10.8	0.2	100.0
1972	1.3	0.3	2.5	1.9	24.7	42.0	4.1	3.4	8.5	11.1	0.3	100.0
1973	1.3	0.3	2.5	1.9	23.9	41.1	4.2	3.8	9.0	11.7	0.3	100.0
1974	1.3	0.3	2.4	1.9	23.6	40.1	4.1	4.2	10.5	11.5	0.3	100.0
1975	1.3	0.3	2.4	1.9	23.6	39.4	4.1	4.2	11.2	11.3	0.3	100.0
1976	1.3	0.3	2.4	1.9	23.9	39.3	4.1	4.1	11.0	11.7	0.2	100.0
1977	1.3	0.3	2.4	1.9	23.6	39.2	3.9	3.9	11.5	11.8	0.3	100.0
1978	1.3	0.3	2.4	1.9	23.6	38.4	3.9	4.0	12.1	11.9	0.3	100.0
1979	1.4	0.3	2.3	2.0	23.0	37.9	3.8	4.1	12.9	12.1	0.3	100.0
1980	1.2	0.3	2.1	1.7	22.9	37.6	3.7	4.3	13.7	12.1	0.3	100.0
1981	1.2	0.3	2.1	1.8	22.7	37.7	3.7	4.3	13.4	12.3	0.3	100.0

Source: Statistics Canada, *Provincial Economic Accounts*.

Reference Table 9
National Income and Gross National Product
1950 – 1982

Year	Wages, salaries and supplementary labour income ⁽¹⁾	Corporation profits before taxes	Dividends paid to non-residents	Interest and miscellaneous investment income	Accrued net income of farm operators from farm production	Net income of non-farm unincorporated business including rents	Inventory valuation adjustment	Net national income at factor cost	Indirect taxes less subsidies	Capital consumption allowances and miscellaneous valuation adjustments	Residual error of estimate	Gross national product at market prices
D		40002 40242	40003 40243	40004 40244	40005 40245	40006 40246	40007 40247	40008 40248	40009 40249	40010 40250	40011 40251	40548 40551
(Millions of dollars)												
1950	9,152	2,608	-412	396	1,301	1,882	-374	14,553	2,065	1,876	-3	18,491
1951	10,770	3,144	-379	463	1,868	1,976	-643	17,199	2,548	2,098	-205	21,640
1952	12,073	3,071	-346	523	1,878	2,155	114	19,468	2,799	2,333	-12	24,588
1953	13,062	2,985	-328	583	1,462	2,359	2	20,125	2,994	2,634	80	25,833
1954	13,451	2,755	-339	628	918	2,498	87	19,998	3,042	2,930	-52	25,918
1955	14,369	3,485	-396	764	1,120	2,748	-182	21,908	3,321	3,337	-38	28,528
1956	16,171	3,928	-450	869	1,283	2,827	-245	24,383	3,731	3,814	130	32,058
1957	17,519	3,554	-505	977	908	2,962	-59	25,356	3,975	4,159	23	33,513
1958	17,982	3,669	-486	1,063	1,116	3,133	-41	26,436	4,036	4,135	170	34,777
1959	19,149	3,966	-527	1,062	1,008	3,207	-108	27,757	4,401	4,461	227	36,846
1960	20,141	3,870	-495	1,129	1,026	3,192	-26	28,837	4,587	4,739	196	38,359
1961	21,009	4,066	-622	1,284	826	3,261	-41	29,783	4,838	4,833	142	39,646
1962	22,468	4,450	-621	1,416	1,377	3,380	-100	32,370	5,446	5,236	-125	42,927
1963	23,932	4,932	-652	1,563	1,562	3,576	-213	34,700	5,714	5,603	-39	45,978
1964	26,034	5,841	-787	1,724	1,307	3,705	-144	37,680	6,441	6,108	51	50,280
1965	28,878	6,318	-828	1,891	1,389	3,893	-322	41,219	7,284	6,655	206	55,364
1966	32,629	6,714	-850	2,070	1,950	4,116	-335	46,294	8,030	7,322	182	61,828
1967	36,160	6,823	-874	2,362	1,239	4,355	-327	49,738	8,852	7,786	33	66,409
1968	39,318	7,742	-835	2,623	1,321	4,778	-341	54,606	9,662	8,308	10	72,586
1969	43,949	8,294	-854	3,082	1,435	5,187	-576	60,517	10,722	9,019	-443	79,815
1970	47,620	7,699	-952	3,428	1,211	5,424	-195	64,235	11,299	9,806	345	85,685
1971	52,436	8,681	-1,079	3,906	1,576	5,928	-665	70,783	12,276	10,500	891	94,450
1972	58,549	10,799	-1,031	4,577	1,662	6,170	-1,032	79,694	13,876	11,474	190	105,234
1973	67,849	15,417	-1,277	5,359	3,009	6,656	-2,362	94,651	15,598	13,355	-44	123,560
1974	81,289	20,062	-1,645	7,632	3,859	6,901	-4,244	113,854	18,257	16,046	-629	147,528
1975	94,625	19,663	-1,835	8,661	3,944	7,669	-2,938	129,789	17,584	18,270	-300	165,343
1976	109,375	19,985	-1,719	11,175	3,317	8,438	-2,064	148,507	21,520	20,738	266	191,031
1977	120,523	20,928	-2,094	13,147	2,831	9,113	-3,419	161,029	23,907	23,043	889	208,868
1978	131,380	25,668	-2,843	15,923	3,616	9,853	-4,653	178,944	25,563	25,739	244	230,490
1979	146,761	33,941	-3,064	19,101	3,909	10,685	-7,114	204,219	27,815	29,557	-15	261,576
1980	165,455	36,456	-3,117	22,164	4,005	11,669	-7,096	229,536	29,012	33,448	-127	291,869
1981	188,497	32,638	-3,740	26,951	4,473	13,290	-7,002	255,107	37,627	37,620	984	331,338
1982	201,736	21,777	-3,356	29,704	4,646	14,031	-3,784	264,754	40,588	41,862	1,721	348,925

Reference Table 9 (continued)
National Income and Gross National Product
1950 – 1982

Year	Wages, salaries and supplementary labour income ⁽¹⁾	Corporation profits before taxes	Dividends paid to non-residents	Interest and miscellaneous investment income	Accrued net income of farm operators from farm production	Net income of non-farm unincorporated business including rents	Net national income at factor cost	Indirect taxes less subsidies	Capital consumption allowances and miscellaneous valuation adjustments	Gross national product at market prices
(Per cent change)										
1950.....	8.0	29.8	26.4	36.1	7.4	6.1	9.2	10.0	14.1	10.1
1951.....	17.7	20.6	-8.0	16.9	43.6	5.0	18.2	23.4	11.8	17.0
1952.....	12.1	-2.3	-8.7	13.0	0.5	9.1	13.2	9.9	11.2	13.6
1953.....	8.2	-2.8	-5.2	11.5	-22.2	9.5	3.4	7.0	12.9	5.1
1954.....	3.0	-7.7	3.4	7.7	-37.2	5.9	-0.6	1.6	11.2	0.3
1955.....	6.8	26.5	16.8	21.7	22.0	10.0	9.6	9.2	13.9	10.1
1956.....	12.5	12.7	13.6	13.7	14.6	2.9	11.3	12.3	14.3	12.4
1957.....	8.3	-9.5	12.2	12.4	-29.2	4.8	4.0	6.5	9.0	4.5
1958.....	2.6	3.2	-3.8	8.8	22.9	5.8	4.3	1.5	-0.6	3.8
1959.....	6.5	8.1	8.4	-0.1	-9.7	2.4	5.0	9.0	7.9	5.9
1960.....	5.2	-2.4	-6.1	6.3	1.8	-0.5	3.9	4.2	6.2	4.1
1961.....	4.3	5.1	25.7	13.7	-19.5	2.2	3.3	5.5	3.0	3.4
1962.....	6.9	9.4	-0.2	10.3	66.7	3.6	8.7	12.6	7.2	8.3
1963.....	6.5	10.8	5.0	10.4	13.4	5.8	7.2	4.9	7.0	7.1
1964.....	8.8	18.4	20.7	10.3	-16.3	3.6	8.6	12.7	9.0	9.4
1965.....	10.9	8.2	5.2	9.7	6.3	5.1	9.4	13.1	9.0	10.1
1966.....	13.0	6.3	2.7	9.5	40.4	5.7	12.3	10.2	10.0	11.7
1967.....	10.8	1.6	2.8	14.1	-36.5	5.8	7.4	10.2	6.3	7.4
1968.....	8.7	13.5	-4.5	11.0	6.6	9.7	9.8	9.2	6.7	9.3
1969.....	11.8	7.1	2.3	17.5	8.6	8.6	10.8	11.0	8.6	10.0
1970.....	8.4	-7.2	11.5	11.2	-15.6	4.6	6.1	5.4	8.7	7.4
1971.....	10.1	12.8	13.3	13.9	30.1	9.3	10.2	8.6	7.1	10.2
1972.....	11.7	24.4	-4.4	17.2	5.5	4.1	12.6	13.0	9.3	11.4
1973.....	15.9	42.8	23.9	17.1	81.0	7.9	18.8	12.4	16.4	17.4
1974.....	19.8	30.1	28.8	42.4	28.2	3.7	20.3	17.0	20.1	19.4
1975.....	16.4	-2.0	11.6	13.5	2.2	11.1	14.0	-3.7	13.9	12.1
1976.....	15.6	1.6	-6.3	29.0	-15.9	10.0	14.4	22.4	13.5	15.5
1977.....	10.2	4.7	21.8	17.6	-14.7	8.0	8.4	11.1	11.1	9.3
1978.....	9.0	22.6	35.8	21.1	27.7	8.1	11.1	6.9	11.7	10.4
1979.....	11.7	32.2	7.8	20.0	8.1	8.4	14.1	8.8	14.8	13.5
1980.....	12.7	7.4	1.7	16.0	2.5	9.2	12.4	4.3	13.2	11.6
1981.....	13.9	-10.5	20.0	21.6	11.7	13.9	11.1	29.7	12.5	13.5
1982.....	7.0	-33.3	-10.3	10.2	3.9	5.6	3.8	7.9	11.3	5.3

(¹) Includes military pay and allowances. Unadjusted: D 40000 + 40001; seasonally adjusted: D 40240 + 40241.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 10

**Reconciliation of Gross National Product at Market Prices and
Gross Domestic Product at Factor Cost
1953 – 1982**

Year	Gross national product at market prices	Residual error of estimate	Indirect taxes less subsidies	Investment income from non-residents	Investment income paid to non-residents	Gross domestic product at factor cost
D	40551	40431	40432	40433	40434	40435
(Millions of dollars)						
1953.....	25,833	- 80	- 2,994	- 194	495	23,060
1954.....	25,918	52	- 3,042	- 181	520	23,267
1955.....	28,528	38	- 3,321	- 201	586	25,630
1956.....	32,058	- 130	- 3,731	- 196	657	28,658
1957.....	33,513	- 23	- 3,975	- 208	771	30,078
1958.....	34,777	- 170	- 4,036	- 238	763	31,096
1959.....	36,846	- 227	- 4,401	- 251	860	32,827
1960.....	38,359	- 196	- 4,587	- 254	870	34,192
1961.....	39,646	- 142	- 4,838	- 300	1,022	35,388
1962.....	42,927	125	- 5,446	- 297	1,068	38,377
1963.....	45,978	39	- 5,714	- 314	1,161	41,150
1964.....	50,280	- 51	- 6,441	- 443	1,351	44,696
1965.....	55,364	- 206	- 7,284	- 465	1,485	48,894
1966.....	61,828	- 182	- 8,030	- 486	1,634	54,764
1967.....	66,409	- 33	- 8,852	- 464	1,733	58,793
1968.....	72,586	- 10	- 9,662	- 590	1,841	64,165
1969.....	79,815	443	- 10,722	- 857	2,099	70,778
1970.....	85,685	- 345	- 11,299	- 1,011	2,397	75,427
1971.....	94,450	- 891	- 12,276	- 953	2,537	82,867
1972.....	105,234	- 190	- 13,876	- 977	2,528	92,719
1973.....	123,560	44	- 15,598	- 1,188	3,012	109,830
1974.....	147,528	629	- 18,257	- 1,386	3,741	132,255
1975.....	165,343	300	- 17,584	- 1,671	4,338	150,726
1976.....	191,031	- 266	- 21,520	- 1,601	4,940	172,584
1977.....	208,868	- 889	- 23,907	- 1,696	6,248	188,624
1978.....	230,490	- 244	- 25,563	- 2,239	8,188	210,632
1979.....	261,576	15	- 27,815	- 2,434	9,762	241,104
1980.....	291,869	127	- 29,012	- 3,387	11,345	270,942
1981.....	331,338	- 984	- 37,627	- 3,321	14,745	304,151
1982.....	348,925	- 1,721	- 40,588	- 3,957	17,598	320,257

Reference Table 10 (continued)

**Reconciliation of Gross National Product at Market Prices and
Gross Domestic Product at Factor Cost
1953 – 1982**

Year	Gross national product at market prices	Indirect taxes less subsidies	Investment income received from non-residents	Investment income paid to non-residents	Gross domestic product at factor cost
(Per cent change)					
1953	5.1	7.0	6.0	-2.4	4.2
1954	0.3	1.6	-6.7	5.1	0.9
1955	10.1	9.2	11.0	12.7	10.2
1956	12.4	12.3	-2.5	12.1	11.8
1957	4.5	6.5	6.1	17.4	5.0
1958	3.8	1.5	14.4	-1.0	3.4
1959	5.9	9.0	5.5	12.7	5.6
1960	4.1	4.2	1.2	1.2	4.2
1961	3.4	5.5	18.1	17.5	3.5
1962	8.3	12.6	-1.0	4.5	8.4
1963	7.1	4.9	5.7	8.7	7.2
1964	9.4	12.7	41.1	16.4	8.6
1965	10.1	13.1	5.0	9.9	9.4
1966	11.7	10.2	4.5	10.0	12.0
1967	7.4	10.2	-4.5	6.1	7.4
1968	9.3	9.2	27.2	6.2	9.1
1969	10.0	11.0	45.2	14.0	10.3
1970	7.4	5.4	18.0	14.2	6.6
1971	10.2	8.6	-5.7	5.8	9.9
1972	11.4	13.0	2.5	-0.4	11.9
1973	17.4	12.4	21.6	19.1	18.5
1974	19.4	17.0	16.7	24.2	20.4
1975	12.1	-3.7	20.6	16.0	14.0
1976	15.5	22.4	-4.2	13.9	14.5
1977	9.3	11.1	5.9	26.5	9.3
1978	10.3	6.9	32.0	31.0	11.7
1979	13.5	8.8	8.7	19.2	14.5
1980	11.6	4.3	39.2	16.2	12.4
1981	13.5	29.7	-2.0	30.0	12.3
1982	5.3	7.9	19.2	19.4	5.3

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 11
Structural Changes in Income
(Per Cent Distribution of Gross National Product by Components)
1947 – 1982

Year	Wages, salaries and supple- mentary labour income ⁽¹⁾	Corpo- ration profits before taxes	Dividends paid to non-resi- dents	Interest and miscel- laneous invest- ment income	Accrued net income of farm opera- tors from farm produc- tion	Net income of non- farm unincor- porated busi- ness includ- ing rents	Inven- tory valua- tion adjust- ment	Net national income at factor cost	Indirect taxes less subsi- dies	Capital consump- tion allow- ances and miscel- laneous valua- tion adjust- ments	Residual error of estimate	Gross national product at market prices
1947.....	50.1	13.8	-1.9	1.4	8.2	11.2	-4.2	78.5	12.5	9.1	-0.1	100.0
1948.....	50.6	13.2	-1.7	1.6	8.8	10.3	-3.3	79.5	11.8	9.3	-0.7	100.0
1949.....	50.5	12.0	-1.9	1.7	7.2	10.6	-0.7	79.3	11.2	9.8	-0.3	100.0
1950.....	49.5	14.1	-2.2	2.1	7.0	10.2	-2.0	78.7	11.2	10.1	0.0	100.0
1951.....	49.8	14.5	-1.8	2.1	8.6	9.1	-3.0	79.5	11.8	9.7	-0.9	100.0
1952.....	49.1	12.5	-1.4	2.1	7.6	8.8	0.5	79.2	11.4	9.5	0.0	100.0
1953.....	50.6	11.6	-1.3	2.3	5.7	9.1	0.0	77.9	11.6	10.2	0.3	100.0
1954.....	51.9	10.6	-1.3	2.4	3.5	9.6	0.3	77.2	11.7	11.3	-0.2	100.0
1955.....	50.4	12.2	-1.4	2.7	3.9	9.6	-0.6	76.8	11.6	11.7	-0.1	100.0
1956.....	50.4	12.3	-1.4	2.7	4.0	8.8	-0.8	76.1	11.6	11.9	0.4	100.0
1957.....	52.3	10.6	-1.5	2.9	2.7	8.8	-0.2	75.7	11.9	12.4	0.1	100.0
1958.....	51.7	10.6	-1.4	3.1	3.2	9.0	-0.1	76.0	11.6	11.9	0.5	100.0
1959.....	52.0	10.8	-1.4	2.9	2.7	8.7	-0.3	75.3	11.9	12.1	0.6	100.0
1960.....	52.5	10.1	-1.3	2.9	2.7	8.3	-0.1	75.2	12.0	12.4	0.5	100.0
1961.....	53.0	10.3	-1.6	3.2	2.1	8.2	-0.1	75.1	12.2	12.3	0.4	100.0
1962.....	52.3	10.4	-1.4	3.3	3.2	7.9	-0.2	75.4	12.7	12.2	-0.3	100.0
1963.....	52.1	10.7	-1.4	3.4	3.4	7.8	-0.5	75.5	12.4	12.2	-0.1	100.0
1964.....	51.8	11.6	-1.6	3.4	2.6	7.4	-0.3	74.9	12.8	12.1	0.1	100.0
1965.....	52.2	11.4	-1.5	3.4	2.5	7.0	-0.6	74.5	13.2	12.0	0.4	100.0
1966.....	52.8	10.9	-1.4	3.3	3.2	6.7	-0.5	74.9	13.0	11.8	0.3	100.0
1967.....	54.5	10.3	-1.3	3.6	1.9	6.6	-0.5	74.9	13.3	11.7	0.0	100.0
1968.....	54.2	10.7	-1.2	3.6	1.8	6.6	-0.5	75.2	13.3	11.4	0.0	100.0
1969.....	55.1	10.4	-1.1	3.9	1.8	6.5	-0.7	75.8	13.4	11.3	-0.6	100.0
1970.....	55.6	9.0	-1.1	4.0	1.4	6.3	-0.2	75.0	13.2	11.4	0.4	100.0
1971.....	55.5	9.2	-1.1	4.1	1.7	6.3	-0.7	74.9	13.0	11.1	0.9	100.0
1972.....	55.6	10.3	-1.0	4.3	1.6	5.9	-1.0	75.7	13.2	10.9	0.2	100.0
1973.....	54.9	12.5	-1.0	4.3	2.4	5.4	-1.9	76.6	12.6	10.8	0.0	100.0
1974.....	55.1	13.6	-1.1	5.2	2.6	4.7	-2.9	77.2	12.4	10.9	-0.4	100.0
1975.....	57.2	11.9	-1.1	5.2	2.4	4.6	-1.8	78.5	10.6	11.0	-0.2	100.0
1976.....	57.3	10.5	-0.9	5.8	1.7	4.4	-1.1	77.7	11.3	10.9	0.1	100.0
1977.....	57.7	10.0	-1.0	6.3	1.4	4.4	-1.6	77.1	11.4	11.0	0.4	100.0
1978.....	57.0	11.1	-1.2	6.9	1.6	4.3	-2.0	77.6	11.1	11.2	0.1	100.0
1979.....	56.1	13.0	-1.2	7.3	1.5	4.1	-2.7	78.1	10.6	11.3	0.0	100.0
1980.....	56.7	12.5	-1.1	7.6	1.4	4.0	-2.4	78.6	9.9	11.5	0.0	100.0
1981.....	56.9	9.9	-1.1	8.1	1.4	4.0	-2.1	77.0	11.4	11.4	0.3	100.0
1982.....	57.8	6.2	-1.0	8.5	1.3	4.0	-1.1	75.9	11.6	12.0	0.5	100.0

(1) See note 1 on reference table 9.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 12
Structural Changes in Income
(Per Cent Distribution of Net National Income by Components)
1947 – 1982

Year	Wages, salaries and supple- mentary labour income ⁽¹⁾	Corpo- ration profits before taxes	Dividends paid to non-resi- dents	Interest and miscel- laneous invest- ment income	Accrued net income of farm opera- tors from farm produc- tion	Net income of non- farm unincor- porated business includ- ing rents	Inven- tory valua- tion adjust- ment	Net national income at factor cost
1947.....	63.8	17.5	-2.4	1.8	10.4	14.2	-5.4	100.0
1948.....	63.6	16.5	-2.1	2.0	11.0	13.0	-4.1	100.0
1949.....	63.6	15.1	-2.4	2.2	9.1	13.3	-0.8	100.0
1950.....	62.9	17.9	-2.8	2.7	8.9	12.9	-2.6	100.0
1951.....	62.6	18.3	-2.2	2.7	10.9	11.5	-3.7	100.0
1952.....	62.0	15.8	-1.8	2.7	9.6	11.1	0.6	100.0
1953.....	64.9	14.8	-1.6	2.9	7.3	11.7	0.0	100.0
1954.....	67.3	13.8	-1.7	3.1	4.6	12.5	0.4	100.0
1955.....	65.6	15.9	-1.8	3.5	5.1	12.5	-0.8	100.0
1956.....	66.3	16.1	-1.8	3.6	5.3	11.6	-1.0	100.0
1957.....	69.1	14.0	-2.0	3.9	3.6	11.7	-0.2	100.0
1958.....	68.0	13.9	-1.8	4.0	4.2	11.9	-0.2	100.0
1959.....	69.0	14.3	-1.9	3.8	3.6	11.6	-0.4	100.0
1960.....	69.8	13.4	-1.7	3.9	3.6	11.1	-0.1	100.0
1961.....	70.5	13.7	-2.1	4.3	2.8	10.9	-0.1	100.0
1962.....	69.4	13.7	-1.9	4.4	4.3	10.4	-0.3	100.0
1963.....	69.0	14.2	-1.9	4.5	4.5	10.3	-0.6	100.0
1964.....	69.1	15.5	-2.1	4.6	3.5	9.8	-0.4	100.0
1965.....	70.1	15.3	-2.0	4.6	3.4	9.4	-0.8	100.0
1966.....	70.5	14.5	-1.8	4.5	4.2	8.9	-0.7	100.0
1967.....	72.7	13.7	-1.8	4.7	2.5	8.8	-0.7	100.0
1968.....	72.0	14.2	-1.5	4.8	2.4	8.7	-0.6	100.0
1969.....	72.6	13.7	-1.4	5.1	2.4	8.6	-1.0	100.0
1970.....	74.1	12.0	-1.5	5.3	1.9	8.4	-0.3	100.0
1971.....	74.1	12.3	-1.5	5.5	2.2	8.4	-0.9	100.0
1972.....	73.5	13.6	-1.3	5.7	2.1	7.7	-1.3	100.0
1973.....	71.7	16.3	-1.3	5.7	3.2	7.0	-2.5	100.0
1974.....	71.4	17.6	-1.4	6.7	3.4	6.1	-3.7	100.0
1975.....	72.9	15.1	-1.4	6.7	3.0	5.9	-2.3	100.0
1976.....	73.7	13.5	-1.2	7.5	2.2	5.7	-1.4	100.0
1977.....	74.9	13.0	-1.3	8.2	1.8	5.7	-2.1	100.0
1978.....	73.4	14.3	-1.6	8.9	2.0	5.5	-2.6	100.0
1979.....	71.9	16.6	-1.5	9.3	1.9	5.2	-3.5	100.0
1980.....	72.1	15.9	-1.4	9.7	1.7	5.1	-3.1	100.0
1981.....	73.9	12.8	-1.5	10.5	1.7	5.2	-2.7	100.0
1982.....	76.2	8.2	-1.3	11.2	1.8	5.3	-1.4	100.0

⁽¹⁾ See note 1 on reference table 9.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 13
Indexes of Real Income
1947 – 1982
(1971 = 100)

Year	Real net national income			Real personal income			Real personal disposable income			Real wages and salaries and supplementary income and military pay		Real average weekly wages and salaries
	Per capita	Per household	Per employee	Per capita	Per household	Per employee	Per capita	Per household	Per employee	Per paid employee	Per employee ⁽¹⁾	
1947	50.9	59.5	49.1	50.2	58.7	48.4	56.6	66.2	54.6	54.7	—	—
1948	51.1	58.8	50.0	49.9	57.4	48.7	56.6	65.1	55.3	54.4	—	—
1949	50.8	59.1	51.7	48.8	56.8	49.6	55.8	64.9	56.7	55.5	—	—
1950	52.8	60.5	54.1	49.5	56.6	50.6	57.0	65.2	58.3	56.8	—	—
1951	55.4	62.7	56.6	51.7	58.4	52.8	58.7	66.4	60.0	57.4	—	—
1952	59.5	67.1	61.8	54.3	61.2	56.4	61.1	68.9	63.4	60.6	—	—
1953	60.0	67.4	63.2	55.7	62.5	58.6	62.4	70.0	65.7	64.2	—	—
1954	57.4	64.3	62.1	54.1	60.5	58.5	60.6	67.8	65.5	65.4	—	—
1955	61.2	68.3	66.5	56.8	63.3	61.6	63.8	71.2	69.3	66.9	—	—
1956	65.4	72.6	69.9	60.3	67.0	64.4	67.5	74.9	72.1	69.7	—	—
1957	64.0	71.2	68.7	60.7	67.6	65.2	67.7	75.4	72.7	70.9	—	—
1958	63.1	70.4	70.1	60.8	67.8	67.5	68.5	76.4	76.1	70.5	—	—
1959	64.0	71.1	70.7	61.9	68.8	68.4	69.2	76.9	76.5	71.5	—	—
1960	64.5	71.3	71.7	63.2	69.9	70.3	70.1	77.6	78.0	72.9	—	—
1961	64.8	72.1	72.4	62.6	69.6	69.9	69.1	76.9	77.2	74.5	74.5	74.0
1962	68.2	75.4	75.5	66.0	72.9	73.1	73.0	80.7	80.9	75.9	75.3	75.2
1963	70.7	77.6	77.9	67.8	74.4	74.7	75.0	82.3	82.6	77.3	76.4	76.6
1964	74.4	81.0	80.5	70.3	76.6	76.1	77.0	83.9	83.4	79.6	78.3	78.5
1965	78.4	84.7	83.2	74.6	80.6	79.2	81.4	88.0	86.5	82.2	80.9	81.0
1966	83.6	89.8	86.8	79.6	85.4	82.6	85.1	91.4	88.4	84.9	84.1	83.0
1967	85.3	90.4	87.7	82.9	87.8	85.2	87.4	92.5	89.8	88.0	87.5	85.7
1968	88.5	92.4	90.7	86.2	90.0	88.3	89.6	93.5	91.8	89.2	89.3	87.9
1969	93.1	95.7	93.8	90.8	93.4	91.5	92.4	95.1	93.1	92.7	92.3	90.7
1970	94.1	95.3	95.1	93.3	94.4	94.2	93.4	94.6	94.4	95.3	95.2	94.3
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	107.1	105.2	105.2	107.6	105.6	105.6	108.1	106.1	106.1	103.5	103.4	104.3
1973	117.2	112.8	110.8	115.8	111.4	109.5	116.6	112.2	110.2	105.6	105.7	104.5
1974	124.9	118.0	115.0	122.5	115.7	112.8	122.5	115.7	112.8	109.0	108.3	104.2
1975	126.9	117.9	116.6	127.3	118.2	116.9	128.2	119.1	117.7	112.7	112.6	107.6
1976	133.5	121.6	121.7	133.5	121.5	121.6	133.3	121.3	121.5	119.0	119.3	112.4
1977	133.2	119.1	120.7	135.4	121.1	122.7	134.9	120.6	122.2	120.1	119.0	114.7
1978	136.4	120.0	120.9	138.6	122.0	122.9	139.4	122.7	123.7	118.5	118.5	113.5
1979	141.1	121.8	121.5	140.5	121.3	121.0	141.8	122.4	122.1	116.5	117.0	112.9
1980	141.5	120.3	120.1	141.3	120.1	119.9	142.2	120.9	120.7	114.9	116.7	112.3
1981	139.6	116.5	116.8	146.6	122.3	122.6	146.0	121.8	122.2	114.4	115.3	112.7
1982	129.7	106.3	113.4	144.0	118.1	125.9	142.9	117.2	124.9	114.9	115.3	112.2

Reference Table 13 (continued)
Indexes of Real Income
1947 – 1982

	Real net national income			Real personal income			Real personal disposable income			Real wages and salaries and supplementary income and military pay		Real average weekly wages and salaries
Year	Per capita	Per household	Per employee	Per capita	Per household	Per employee	Per capita	Per household	Per employee	Per paid employee	Per employee ⁽¹⁾	
	(Per cent change)											
1948	0.5	-1.2	1.8	-0.6	-2.3	0.6	0.0	-1.6	1.3	-0.5	—	—
1949	-0.6	0.5	3.4	-2.1	-1.0	1.9	-1.4	-0.3	2.6	2.0	—	—
1950	3.9	2.3	4.6	1.3	-0.3	2.0	2.1	0.5	2.8	2.3	—	—
1951	4.9	3.6	4.6	4.5	3.2	4.2	3.1	1.9	2.9	1.0	—	—
1952	7.4	7.1	9.2	4.9	4.8	6.8	4.0	3.7	5.8	5.6	—	—
1953	0.8	0.4	2.3	2.6	2.1	4.0	2.1	1.6	3.6	6.0	—	—
1954	-4.4	-4.6	-1.7	-3.0	-3.2	-0.3	-3.0	-3.2	-0.3	1.8	—	—
1955	6.6	6.3	7.0	5.0	4.6	5.4	5.3	5.0	5.7	2.3	—	—
1956	6.8	6.3	5.1	6.2	5.7	4.5	5.8	5.3	4.1	4.3	—	—
1957	-2.2	-1.9	-1.7	0.6	0.9	1.2	0.3	0.6	0.8	1.6	—	—
1958	-1.3	-1.2	2.0	0.2	0.3	3.6	1.3	1.4	4.7	-0.5	—	—
1959	1.4	1.0	0.9	1.8	1.5	1.3	1.0	0.7	0.5	1.4	—	—
1960	0.7	0.3	1.3	2.1	1.7	2.7	1.3	0.8	1.8	1.9	—	—
1961	0.5	1.0	1.1	-1.0	-0.5	-0.5	-1.4	-0.9	-0.9	2.2	—	—
1962	5.3	4.6	4.3	5.5	4.8	4.5	5.6	4.9	4.7	1.9	1.1	1.6
1963	3.7	3.0	3.1	2.8	2.1	2.2	2.8	2.1	2.2	1.9	1.4	1.9
1964	5.2	4.3	3.4	3.7	2.9	1.9	2.7	1.9	0.9	2.9	2.4	2.5
1965	5.4	4.6	3.3	6.1	5.3	4.1	5.7	4.9	3.7	3.3	3.4	3.2
1966	6.7	6.0	4.3	6.7	6.0	4.2	4.6	3.9	2.2	3.3	3.9	2.4
1967	2.0	0.6	1.0	4.2	2.8	3.1	2.6	1.2	1.6	3.6	4.1	3.2
1968	3.7	2.2	3.4	4.0	2.5	3.7	2.6	1.1	2.3	1.4	2.1	2.7
1969	5.1	3.7	3.4	5.3	3.8	3.6	3.1	1.7	1.5	3.9	3.3	3.2
1970	1.1	-0.4	1.4	2.7	1.1	3.0	1.1	-0.5	1.3	2.8	3.1	3.9
1971	6.3	4.9	5.2	7.2	5.9	6.1	7.0	5.7	5.9	4.9	5.1	6.0
1972	7.1	5.2	5.2	7.6	5.6	5.6	8.1	6.1	6.1	3.5	3.4	4.3
1973	9.4	7.3	5.4	7.6	5.5	3.6	7.8	5.8	3.9	2.0	2.3	0.2
1974	6.5	4.5	3.7	5.8	3.8	3.0	5.0	3.1	2.3	3.3	2.5	-0.3
1975	1.7	0.0	1.4	3.9	2.2	3.7	4.7	2.9	4.4	3.4	3.9	3.3
1976	5.2	3.1	4.4	4.9	2.8	4.1	4.0	1.9	3.2	5.5	5.9	4.5
1977	-0.4	-2.0	-0.8	1.3	-0.4	0.8	1.1	-0.6	0.6	1.0	-0.2	2.0
1978	2.4	0.7	0.2	2.5	0.7	0.2	3.5	1.7	1.2	-1.4	-0.4	-1.1
1979	3.5	1.5	0.5	1.3	-0.6	-1.6	1.7	-0.2	-1.3	-1.7	-1.2	-0.5
1980	0.3	-1.2	-1.2	0.6	-1.0	-0.9	0.3	-1.3	-1.2	-1.4	-0.3	-0.5
1981	-1.4	-3.2	-2.7	3.7	1.8	2.3	2.7	0.8	1.2	-0.4	-1.3	0.3
1982	-7.1	-8.7	-2.9	-1.7	-3.4	2.7	-2.1	-3.8	2.3	0.4	-0.0	-0.4

(1) "Estimates of employees".

Source: Statistics Canada, *The Labour Force*, monthly, cat. 71-001; *Estimates of Employees by Province and Industry*, monthly, cat. 72-008; *National Income and Expenditure Accounts*, cat. 13-533; *Employment, Earnings and Hours*, monthly, cat. 72-002; and *Census of Canada*, annual, cat. 91-001. Real incomes are computed by dividing the various nominal income measures by the national accounts implicit price index for consumer expenditure. The household data from 1961 to the present, are from Statistics Canada, *Household Equipment*, cat. 64-202, while data prior to 1961 were derived by interpolating the census benchmarks.

Reference Table 14
Personal Income and Expenditure
1947 – 1982

Year	Personal income	Personal disposable income	Personal expenditure	Personal saving	Ratio of personal savings to personal disposable income	Personal disposable income per capita	Personal expenditure per capita
D	40042 40552	40057 40295	40014 40254	40054 40413			
		(Millions of dollars)			(Per cent)	(Dollars)	
1947.....	10,926	9,964	9,362	544	5.5	794	746
1948.....	12,592	11,559	10,370	1,138	9.8	901	809
1949.....	13,396	12,383	11,365	965	7.8	921	845
1950.....	14,262	13,285	12,482	738	5.6	969	910
1951.....	16,791	15,435	13,857	1,496	9.7	1,102	989
1952.....	18,592	16,922	15,162	1,665	9.8	1,170	1,049
1953.....	19,550	17,718	16,181	1,423	8.0	1,194	1,090
1954.....	19,717	17,868	16,934	804	4.5	1,169	1,108
1955.....	21,265	19,331	18,388	797	4.1	1,231	1,171
1956.....	23,531	21,307	20,090	1,051	4.9	1,325	1,249
1957.....	25,170	22,714	21,492	1,047	4.6	1,367	1,294
1958.....	26,651	24,313	22,845	1,278	5.3	1,423	1,338
1959.....	28,108	25,440	24,390	844	3.3	1,455	1,395
1960.....	29,595	26,567	25,479	867	3.3	1,487	1,426
1961.....	30,104	26,904	25,930	745	2.8	1,475	1,422
1962.....	32,788	29,340	27,452	1,647	5.6	1,579	1,477
1963.....	34,829	31,168	29,225	1,691	5.4	1,646	1,544
1964.....	37,282	33,049	31,389	1,383	4.2	1,713	1,627
1965.....	41,071	36,263	33,947	2,001	5.5	1,846	1,728
1966.....	46,094	39,901	36,890	2,662	6.7	1,994	1,843
1967.....	50,579	43,123	39,972	2,736	6.3	2,116	1,962
1968.....	55,677	46,820	43,704	2,639	5.6	2,262	2,111
1969.....	61,804	50,911	47,492	2,730	5.4	2,424	2,261
1970.....	66,633	54,009	50,327	2,872	5.3	2,536	2,363
1971.....	74,092	59,943	55,616	3,509	5.9	2,779	2,579
1972.....	83,767	68,100	62,208	5,015	7.4	3,124	2,853
1973.....	97,832	79,719	71,278	7,230	9.0	3,617	3,234
1974.....	116,867	94,545	83,388	9,406	9.9	4,228	3,729
1975.....	136,205	110,996	96,995	12,139	10.9	4,890	4,273
1976.....	155,343	125,510	110,886	12,560	10.0	5,459	4,823
1977.....	171,303	138,094	122,530	13,367	9.7	5,930	5,262
1978.....	190,403	154,975	135,153	17,172	11.1	6,585	5,743
1979.....	212,867	173,810	150,521	19,378	11.1	7,313	6,333
1980.....	239,891	195,338	168,395	21,889	11.2	8,120	7,000
1981.....	280,413	225,989	191,025	28,114	12.4	9,284	7,848
1982.....	307,750	247,074	205,952	33,850	13.7	10,042	8,371

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 15
Personal Income, Canada and by Province
1955 – 1981

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
D	30303	30304	30305	30306	30307	30308	30309	30310	30311	30312	30313	30315
(Millions of dollars)												
1955	292	67	683	489	5,296	8,525	1,073	1,058	1,475	2,242	43	21,265
1956	325	85	732	534	5,840	9,320	1,206	1,205	1,719	2,482	59	23,531
1957	350	77	785	556	6,363	10,211	1,223	1,037	1,749	2,728	59	25,170
1958	361	83	820	585	6,655	10,802	1,352	1,156	1,958	2,786	59	26,651
1959	383	96	874	626	7,005	11,406	1,419	1,200	2,039	2,948	61	28,108
1960	412	97	920	664	7,422	11,923	1,492	1,352	2,134	3,058	63	29,595
1961	440	102	946	671	7,828	12,187	1,436	1,084	2,199	3,091	59	30,104
1962	462	114	995	707	8,446	13,098	1,611	1,529	2,411	3,279	62	32,788
1963	493	116	1,043	751	8,933	13,976	1,647	1,686	2,535	3,509	67	34,829
1964	531	128	1,108	809	9,742	15,030	1,775	1,539	2,652	3,822	70	37,282
1965	604	137	1,181	880	10,685	16,537	1,892	1,789	2,941	4,271	69	41,071
1966	680	151	1,302	979	11,880	18,655	2,039	2,047	3,374	4,817	80	46,094
1967	755	168	1,446	1,067	13,175	20,553	2,280	1,932	3,665	5,348	90	50,579
1968	837	189	1,580	1,183	14,193	22,844	2,523	2,187	4,111	5,837	104	55,677
1969	923	205	1,766	1,295	15,565	25,629	2,704	2,269	4,589	6,645	122	61,804
1970	1,025	229	1,895	1,412	16,682	27,974	2,857	2,133	4,953	7,245	148	66,633
1971	1,143	243	2,100	1,576	18,369	30,966	3,192	2,555	5,534	8,182	158	74,092
1972	1,301	287	2,436	1,810	20,823	34,822	3,564	2,767	6,267	9,417	193	83,767
1973	1,526	355	2,850	2,105	24,067	39,884	4,244	3,673	7,471	11,331	235	97,832
1974	1,903	400	3,375	2,539	28,980	47,060	4,985	4,519	9,019	13,687	293	116,867
1975	2,259	493	3,894	3,080	33,801	53,902	5,865	5,660	10,991	15,787	346	136,205
1976	2,582	547	4,416	3,460	39,204	60,959	6,473	6,199	12,783	18,187	398	155,343
1977	2,848	598	4,913	3,783	43,037	67,164	7,059	6,373	14,575	20,348	459	171,303
1978	3,066	704	5,503	4,209	47,438	74,314	7,779	7,107	16,824	22,791	513	190,403
1979	3,416	769	6,111	4,707	52,665	82,305	8,416	7,889	20,049	25,800	581	212,867
1980	3,720	880	6,724	5,098	59,421	92,006	9,199	8,764	23,555	29,680	676	239,891
1981	4,276	963	7,667	5,757	68,637	106,825	11,087	11,212	28,586	34,403	814	280,413
(Per cent change)												
1955	7.4	-2.9	2.9	4.5	5.3	7.5	7.1	28.4	9.6	9.4	10.3	7.9
1956	11.3	26.9	7.2	9.2	10.3	9.3	12.4	13.9	16.5	10.7	37.2	10.7
1957	7.7	-9.4	7.2	4.1	9.0	9.6	1.4	-13.9	1.7	9.9	0.0	7.0
1958	3.1	7.8	4.5	5.2	4.6	5.8	10.5	11.5	11.9	2.5	0.0	5.9
1959	6.1	15.7	6.6	7.0	5.3	5.6	5.0	3.8	4.1	5.8	3.4	5.5
1960	7.6	1.0	5.3	6.1	6.0	4.5	5.1	12.7	4.7	3.7	3.3	5.3
1961	6.8	5.2	2.8	1.1	5.5	2.2	-3.8	-19.8	3.0	1.1	-6.3	1.7
1962	5.0	11.8	5.2	5.4	7.9	7.5	12.2	41.1	9.6	6.1	5.1	8.9
1963	6.7	1.8	4.8	6.2	5.8	6.7	2.2	10.3	5.1	7.0	8.1	6.2
1964	7.7	10.3	6.2	7.7	9.1	7.5	7.8	-8.7	4.6	8.9	4.5	7.0
1965	13.7	7.0	6.6	8.8	9.7	10.0	6.6	16.2	10.9	11.7	-1.4	10.2
1966	12.6	10.2	10.2	11.2	11.2	12.8	7.8	14.4	14.7	12.8	15.9	12.2
1967	11.0	11.3	11.1	9.0	10.9	10.2	11.8	-5.6	8.6	11.0	12.5	9.7
1968	10.9	12.5	9.3	10.9	7.7	11.1	10.7	13.2	12.2	9.1	15.6	10.1
1969	10.3	8.5	11.8	9.5	9.7	12.2	7.2	3.7	11.6	13.8	17.3	11.0
1970	11.1	11.7	7.3	9.0	7.2	9.1	5.7	-6.0	7.9	9.0	21.3	7.8
1971	11.5	6.1	10.8	11.6	10.1	10.7	11.7	19.8	11.7	12.9	6.8	11.2
1972	13.8	18.1	16.0	14.8	13.4	12.5	11.7	8.3	13.2	15.1	22.2	13.1
1973	17.3	23.7	17.0	16.3	15.6	14.5	19.1	32.7	19.2	20.3	21.8	16.8
1974	24.7	12.7	18.4	20.6	20.4	18.0	17.5	23.0	20.7	20.8	24.7	19.5
1975	18.7	23.2	15.4	21.3	16.6	14.5	17.7	25.2	21.9	15.3	18.1	16.5
1976	14.3	11.0	13.4	12.3	16.0	13.1	10.4	9.5	16.3	15.2	15.0	14.1
1977	10.3	9.3	11.3	9.3	9.8	10.2	9.1	2.8	14.0	11.9	15.3	10.3
1978	7.7	17.7	12.0	11.3	10.2	10.6	10.2	11.5	15.4	12.0	11.8	11.1
1979	11.4	9.2	11.0	11.8	11.0	10.8	8.2	11.0	19.2	13.2	13.3	11.8
1980	8.9	14.4	10.0	8.3	12.8	11.8	9.3	11.1	17.5	15.0	16.4	12.7
1981	14.9	9.4	14.0	12.9	15.5	16.1	20.5	27.9	21.4	15.9	20.4	16.9

Reference Table 15 (continued)
Personal Income, Canada and by Province
1955 – 1981

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
(Percentage distribution of total among provinces)												
1955	1.4	0.3	3.2	2.3	24.9	40.1	5.0	5.0	6.9	10.5	0.2	100.0
1956	1.4	0.4	3.1	2.3	24.8	39.6	5.1	5.1	7.3	10.5	0.3	100.0
1957	1.4	0.3	3.1	2.2	25.3	40.6	4.9	4.1	7.0	10.8	0.2	100.0
1958	1.4	0.3	3.1	2.2	25.0	40.5	5.1	4.3	7.3	10.5	0.2	100.0
1959	1.4	0.3	3.1	2.2	24.9	40.6	5.0	4.3	7.3	10.5	0.2	100.0
1960	1.4	0.3	3.1	2.2	25.1	40.3	5.0	4.6	7.2	10.3	0.2	100.0
1961	1.5	0.3	3.1	2.2	26.0	40.5	4.8	3.6	7.3	10.3	0.2	100.0
1962	1.4	0.3	3.0	2.2	25.8	39.9	4.9	4.7	7.4	10.0	0.2	100.0
1963	1.4	0.3	3.0	2.2	25.6	40.1	4.7	4.8	7.3	10.1	0.2	100.0
1964	1.4	0.3	3.0	2.2	26.1	40.3	4.8	4.1	7.1	10.3	0.2	100.0
1965	1.5	0.3	2.9	2.1	26.0	40.3	4.6	4.4	7.2	10.4	0.2	100.0
1966	1.5	0.3	2.8	2.1	25.8	40.5	4.4	4.4	7.3	10.5	0.2	100.0
1967	1.5	0.3	2.9	2.1	26.0	40.6	4.5	3.8	7.2	10.6	0.2	100.0
1968	1.5	0.3	2.8	2.1	25.5	41.0	4.5	3.9	7.4	10.5	0.2	100.0
1969	1.5	0.3	2.9	2.1	25.2	41.5	4.4	3.7	7.4	10.8	0.2	100.0
1970	1.5	0.3	2.8	2.1	25.0	42.0	4.3	3.2	7.4	10.9	0.2	100.0
1971	1.5	0.3	2.8	2.1	24.8	41.8	4.3	3.4	7.5	11.0	0.2	100.0
1972	1.6	0.3	2.9	2.2	24.9	41.6	4.3	3.3	7.5	11.2	0.2	100.0
1973	1.6	0.4	2.9	2.2	24.6	40.8	4.3	3.8	7.6	11.6	0.2	100.0
1974	1.6	0.3	2.9	2.2	24.8	40.3	4.3	3.9	7.7	11.7	0.3	100.0
1975	1.7	0.4	2.9	2.3	24.8	39.6	4.3	4.2	8.1	11.6	0.3	100.0
1976	1.7	0.4	2.8	2.2	25.2	39.2	4.2	4.0	8.2	11.7	0.3	100.0
1977	1.7	0.3	2.9	2.2	25.1	39.2	4.1	3.7	8.5	11.9	0.3	100.0
1978	1.6	0.4	2.9	2.2	24.9	39.0	4.1	3.7	8.8	12.0	0.3	100.0
1979	1.6	0.4	2.9	2.2	24.7	38.7	4.0	3.7	9.4	12.1	0.3	100.0
1980	1.6	0.4	2.8	2.1	24.8	38.4	3.8	3.7	9.8	12.4	0.3	100.0
1981	1.5	0.3	2.7	2.1	24.5	38.1	4.0	4.0	10.2	12.3	0.3	100.0

Note: The Canada figure includes personal income of Canadians temporarily abroad (including pay and allowances of Canadian Armed Forces abroad). The Yukon and the Northwest Territories are included with British Columbia up to 1950.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 16

Personal Income Per Capita, Canada and by Province
1955 – 1981

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
D	30316	30317	30318	30319	30320	30321	30322	30323	30324	30325	30326	30327
(Dollars)												
1955	719	670	1,000	894	1,172	1,619	1,279	1,205	1,352	1,671	1,483	1,355
1956	783	859	1,053	962	1,262	1,724	1,419	1,368	1,531	1,774	1,903	1,463
1957	825	778	1,120	989	1,334	1,812	1,419	1,178	1,503	1,841	1,903	1,515
1958	836	830	1,157	1,025	1,357	1,856	1,545	1,297	1,624	1,811	1,788	1,560
1959	869	951	1,216	1,076	1,394	1,911	1,593	1,323	1,634	1,881	1,794	1,608
1960	920	942	1,265	1,127	1,443	1,951	1,647	1,478	1,653	1,909	1,750	1,656
1961	961	971	1,284	1,122	1,488	1,954	1,557	1,172	1,651	1,897	1,595	1,651
1962	987	1,065	1,334	1,169	1,573	2,062	1,721	1,644	1,761	1,975	1,550	1,764
1963	1,036	1,074	1,389	1,233	1,630	2,156	1,736	1,807	1,807	2,065	1,634	1,840
1964	1,099	1,174	1,468	1,324	1,745	2,267	1,851	1,634	1,856	2,190	1,667	1,933
1965	1,238	1,257	1,562	1,431	1,880	2,436	1,961	1,883	2,028	2,377	1,683	2,091
1966	1,379	1,385	1,722	1,587	2,055	2,680	2,117	2,143	2,306	2,570	1,860	2,303
1967	1,513	1,541	1,903	1,721	2,247	2,884	2,368	2,019	2,460	2,750	2,045	2,482
1968	1,654	1,718	2,060	1,893	2,394	3,146	2,598	2,278	2,698	2,914	2,311	2,690
1969	1,796	1,847	2,279	2,062	2,601	3,470	2,762	2,368	2,944	3,226	2,596	2,943
1970	1,983	2,082	2,423	2,252	2,774	3,705	2,906	2,267	3,105	3,405	2,960	3,129
1971	2,190	2,189	2,662	2,482	3,047	4,020	3,231	2,759	3,399	3,745	2,981	3,435
1972	2,455	2,540	3,064	2,828	3,440	4,459	3,596	3,027	3,782	4,202	3,386	3,842
1973	2,842	3,114	3,545	3,253	3,959	5,043	4,261	4,059	4,421	4,922	3,917	4,438
1974	3,518	3,478	4,156	3,882	4,733	5,843	4,950	5,021	5,238	5,761	4,883	5,226
1975	4,115	4,214	4,749	4,632	5,470	6,596	5,784	6,240	6,182	6,489	5,492	6,001
1976	4,627	4,636	5,327	5,111	6,288	7,376	6,334	6,731	6,955	7,372	6,219	6,756
1977	5,077	4,983	5,898	5,531	6,837	8,039	6,867	6,816	7,627	8,139	7,062	7,356
1978	5,456	5,818	6,567	6,109	7,516	8,801	7,538	7,537	8,480	8,966	7,657	8,091
1979	6,067	6,303	7,258	6,792	8,298	9,678	8,171	8,287	9,737	9,961	8,672	8,956
1980	6,584	7,154	7,957	7,325	9,298	10,731	8,966	8,120	10,992	11,133	9,941	9,971
1981	7,528	7,829	9,041	8,272	10,661	12,386	10,806	11,583	12,779	12,538	11,797	11,520
(Per cent change)												
1955	4.4	-1.9	1.4	3.2	2.3	4.4	5.0	27.7	6.2	5.5	2.7	5.0
1956	8.9	28.1	5.3	7.6	7.6	6.5	-0.2	13.5	13.2	6.2	28.4	8.0
1957	5.4	-9.4	6.3	2.8	5.7	5.1	0.0	-13.9	-1.8	3.8	0.0	3.6
1958	1.2	6.7	3.3	3.6	1.7	2.4	8.9	10.1	8.1	-1.6	-6.1	3.0
1959	3.9	14.5	5.1	5.0	2.7	3.0	3.1	2.0	0.6	3.9	0.3	3.0
1960	5.9	-0.9	4.1	4.8	3.5	2.1	3.4	11.7	1.2	1.5	-2.5	3.0
1961	4.5	3.2	1.4	-0.5	3.1	0.2	-5.4	-20.7	-0.1	-0.6	-8.9	-0.3
1962	2.8	9.7	3.9	4.1	5.6	5.5	10.5	40.3	6.7	4.1	-2.8	6.9
1963	4.9	0.8	4.1	5.5	3.6	4.6	0.8	9.9	2.6	4.6	5.4	4.3
1964	6.1	9.3	5.7	7.4	7.0	5.1	6.6	-9.6	2.7	6.0	2.0	5.1
1965	12.6	7.0	6.4	8.1	7.7	7.5	5.9	15.3	9.3	8.5	1.0	8.2
1966	11.4	10.2	10.2	10.9	9.3	10.0	8.0	13.8	13.7	8.1	10.5	10.1
1967	9.7	11.3	10.5	8.5	9.3	7.6	11.8	-5.8	6.7	7.0	9.9	7.8
1968	9.3	11.5	8.3	10.0	6.6	9.1	9.7	12.8	9.7	6.0	13.0	8.4
1969	8.6	7.5	10.6	8.9	8.6	10.3	6.3	4.0	9.1	10.7	12.3	9.4
1970	10.4	12.7	6.3	9.2	6.7	6.8	5.2	-4.3	5.5	5.5	14.0	6.3
1971	10.4	5.2	9.8	10.2	9.8	8.5	11.2	21.7	9.5	10.0	0.7	9.8
1972	12.1	16.0	15.1	14.0	12.9	10.9	11.3	9.7	11.3	12.2	13.6	11.8
1973	15.8	22.6	15.7	15.0	15.1	13.1	18.5	34.1	16.9	17.1	15.7	15.5
1974	23.8	11.7	17.3	19.3	19.5	15.9	16.2	23.7	18.5	17.0	24.7	17.7
1975	17.0	21.1	14.3	19.3	15.6	12.9	16.8	24.3	18.0	12.6	12.5	14.8
1976	12.5	10.0	12.2	10.3	14.9	11.8	9.5	7.9	12.5	13.6	13.2	12.6
1977	9.7	7.5	10.7	8.2	8.7	9.0	8.4	1.3	9.7	10.4	13.6	8.9
1978	7.5	16.8	11.3	10.5	9.9	9.5	9.8	10.6	11.2	10.2	8.4	10.0
1979	11.2	8.3	10.5	11.2	10.4	10.0	8.4	10.0	14.8	11.1	13.3	10.7
1980	8.5	13.5	9.6	7.8	12.1	10.9	9.7	10.1	12.9	11.8	14.6	11.3
1981	14.3	9.4	13.6	12.9	14.7	15.4	20.5	27.0	16.3	12.6	18.7	15.5

Reference Table 16 (continued)

**Personal Income Per Capita, Canada and by Province
1955 – 1981**

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. & N.W.T.	Canada
(Personal income per capita, by province, as a percentage of personal income per capita at the national level)												
1955	53.1	49.5	73.8	66.0	86.6	119.5	94.4	89.0	99.8	123.3	109.5	100.0
1956	53.5	58.7	72.0	65.8	86.2	117.8	97.0	93.5	104.6	121.2	130.1	100.0
1957	54.5	51.3	73.9	65.3	88.0	119.6	93.6	77.8	99.2	121.5	125.6	100.0
1958	53.6	53.2	74.1	65.7	87.0	118.9	99.0	83.1	104.0	116.1	114.6	100.0
1959	54.0	59.1	75.6	66.9	86.7	118.9	99.1	82.3	101.6	117.0	111.6	100.0
1960	55.5	56.9	76.4	68.1	87.2	117.8	99.4	89.2	99.8	115.3	105.7	100.0
1961	58.2	58.9	77.8	68.0	90.2	118.4	94.4	71.0	100.0	115.0	96.6	100.0
1962	55.9	60.4	75.6	66.2	89.1	116.9	97.5	93.2	99.8	112.0	87.8	100.0
1963	56.3	58.4	75.5	67.0	88.6	117.2	94.3	98.2	98.2	112.3	88.8	100.0
1964	56.9	60.8	75.9	68.5	90.3	117.3	95.8	84.5	96.0	113.3	86.2	100.0
1965	59.2	60.1	74.7	68.4	89.9	116.5	93.8	90.1	97.0	113.7	80.5	100.0
1966	59.9	60.2	74.8	68.9	89.2	116.4	91.9	93.1	100.1	111.6	80.8	100.0
1967	61.0	62.1	76.7	69.3	90.5	116.2	95.4	81.3	99.1	110.8	82.4	100.0
1968	61.5	63.9	76.6	70.4	89.0	117.0	96.6	84.7	100.3	108.3	85.9	100.0
1969	61.0	62.8	77.4	70.1	88.4	117.9	93.9	80.5	100.0	109.6	88.2	100.0
1970	63.4	66.5	77.5	72.0	88.7	118.4	92.9	72.4	99.3	108.8	94.6	100.0
1971	63.7	63.7	77.5	72.2	88.7	117.0	94.0	80.3	99.0	109.0	86.8	100.0
1972	63.9	66.1	79.8	73.6	89.5	116.0	93.6	78.8	98.4	109.4	88.1	100.0
1973	64.0	70.2	79.9	73.3	89.2	113.6	96.0	91.4	99.6	110.9	88.2	100.0
1974	67.3	66.6	79.5	74.3	90.6	111.8	94.7	96.1	100.2	110.2	93.4	100.0
1975	68.6	70.2	79.1	77.2	91.2	109.9	96.4	104.0	103.0	108.1	91.5	100.0
1976	68.5	68.6	78.8	75.6	93.1	109.2	93.7	99.6	102.9	109.1	92.0	100.0
1977	69.0	67.7	80.2	75.2	92.9	109.3	93.3	92.7	103.7	110.6	96.0	100.0
1978	67.4	71.9	81.2	75.5	92.9	108.8	93.2	93.2	104.8	110.8	94.6	100.0
1979	67.8	70.4	81.0	75.8	92.7	108.1	91.2	92.5	108.7	111.2	96.8	100.0
1980	66.0	71.8	79.8	73.5	93.2	107.6	89.9	91.5	110.2	111.6	99.7	100.0
1981	65.4	68.0	78.5	71.8	92.5	107.5	93.8	100.5	110.9	108.8	102.4	100.0

Note: Personal income per capita is obtained by dividing Personal Income by Population as of June. Per cent changes are calculated from unrounded data.

Source: Statistics Canada, *Estimates of Population for Canada and Provinces at June 1; National Income and Expenditure Accounts*.

Reference Table 17
Value of Retail Trade, Canada and by Region
1950 – 1982⁽¹⁾

Year	Motor vehicle dealers	All other types of business	Total all stores					British Columbia ⁽²⁾
			Canada	Atlantic region	Quebec	Ontario	Prairie region	
(Millions of dollars)								
1950.....	1,505	8,112	9,617	822	2,183	3,715	1,914	982
1951.....	1,884	8,809	10,693	899	2,443	4,130	2,122	1,100
1952.....	2,105	9,462	11,567	971	2,658	4,409	2,340	1,190
1953.....	2,303	9,886	12,189	1,004	2,793	4,666	2,485	1,241
1954.....	2,055	10,262	12,317	1,024	2,868	4,762	2,391	1,274
1955.....	2,415	11,058	13,473	1,125	3,109	5,296	2,496	1,447
1956.....	2,598	12,176	14,774	1,209	3,463	5,734	2,728	1,640
1957.....	2,547	12,876	15,423	1,233	3,710	5,943	2,855	1,683
1958.....	2,485	13,654	16,139	1,287	3,854	6,271	3,021	1,705
1959.....	2,701	14,386	17,087	1,356	4,114	6,615	3,208	1,793
1960.....	2,650	14,741	17,391	1,421	4,213	6,751	3,250	1,755
1961.....	2,599	15,154	17,752	1,456	4,490	6,808	3,238	1,760
1961.....	2,599	13,474	16,073	1,381	4,108	6,207	2,774	1,604
1962.....	2,957	14,180	17,137	1,429	4,486	6,526	2,945	1,751
1963.....	3,312	14,895	18,207	1,511	4,770	6,948	3,098	1,880
1964.....	3,612	15,881	19,493	1,616	5,120	7,366	3,305	2,086
1965.....	4,175	16,979	21,155	1,762	5,534	8,043	3,509	2,307
1966.....	4,338	18,349	22,686	1,861	5,882	8,625	3,811	2,507
1967.....	4,433	19,722	24,155	1,979	6,379	9,091	4,058	2,648
1968.....	4,714	20,997	25,711	2,135	6,565	9,885	4,267	2,859
1969.....	4,796	22,606	27,401	2,191	6,962	10,588	4,494	3,165
1970.....	4,197	23,837	28,034	2,295	7,074	10,885	4,520	3,260
1971.....	4,925	25,722	30,646	2,532	7,681	11,877	4,924	3,632
1972.....	6,240	27,846	34,086	2,786	8,612	13,058	5,568	4,062
1973.....	7,422	30,891	38,313	3,095	9,697	14,505	6,281	4,735
1974.....	8,303	36,435	44,739	3,638	11,385	16,570	7,603	5,543
1975.....	10,184	41,178	51,361	4,167	13,020	19,151	8,955	6,068
1976.....	11,058	46,070	57,128	4,625	14,448	21,057	10,183	6,815
1977.....	11,750	49,873	61,623	4,921	15,563	22,719	10,967	7,452
1978.....	13,480	55,299	68,778	5,615	17,196	25,186	12,355	8,426
1979.....	15,421	61,604	77,025	6,295	19,625	27,515	14,191	9,399
1980.....	15,698	68,328	84,026	6,628	20,895	29,666	16,027	10,810
1981.....	16,547	77,746	94,293	7,245	22,670	33,732	18,361	12,283
1982.....	14,486	82,865	97,352	7,714	23,496	35,522	18,746	11,874

Note: Figures may not cross-add due to rounding.

⁽¹⁾ Retail trade data prior to 1975 were based on samples of retail firms benchmarked to census information; there were overlaps of data benchmarked to different census years. Beginning with 1975, and extended back to 1971, retail trade data were obtained from a sample of firms derived from non-census information and these data are not comparable to earlier data. Data prior to 1961 were based on the 1948 Standard Industrial Classification, and the more recent data are based on the 1960 S.I.C.

⁽²⁾ Includes the Yukon and Northwest Territories.

Source: Statistics Canada, *Retail Trade*, cat. 63-005.

Reference Table 18
Private and Public Investment in Canada
1960 – 1982

Year	Capital expenditures				Total	Capital expenditures			Repair expendi- tures	Total
	Construc- tion	Machinery and equipment	Sub- total	Repair expendi- tures		Construc- tion	Machinery and equipment	Sub- total		
Primary and construction industries						Manufacturing				
(Millions of dollars)										
1960	511	680	1,191	506	1,697	335	843	1,178	671	1,849
1961	654	647	1,301	512	1,813	279	806	1,085	682	1,767
1962	647	745	1,392	536	1,928	353	916	1,269	750	2,019
1963	659	885	1,544	586	2,130	355	1,003	1,358	801	2,159
1964	769	1,059	1,828	660	2,488	443	1,388	1,831	896	2,727
1965	844	1,161	2,005	724	2,729	604	1,736	2,340	974	3,314
1966	1,066	1,348	2,414	796	3,210	788	2,126	2,914	1,096	4,010
1967	1,069	1,427	2,496	854	3,350	677	1,857	2,534	1,156	3,690
1968	1,086	1,341	2,427	914	3,341	657	1,542	2,199	1,232	3,431
1969	1,203	1,323	2,526	985	3,511	772	1,828	2,600	1,306	3,906
1970	1,284	1,268	2,552	1,112	3,664	997	2,226	3,223	1,417	4,640
1971	1,605	1,508	3,113	1,212	4,325	873	2,121	2,994	1,483	4,477
1972	1,528	1,785	3,313	1,304	4,617	829	2,119	2,948	1,657	4,605
1973	1,756	2,102	3,858	1,582	5,439	986	2,682	3,668	1,919	5,587
1974	2,184	2,529	4,713	1,899	6,612	1,425	3,525	4,950	2,310	7,260
1975	2,619	3,205	5,824	2,198	8,022	1,569	3,953	5,522	2,445	7,967
1976	3,094	4,168	7,262	2,540	9,802	1,440	4,026	5,465	2,891	8,357
1977	3,683	4,219	7,902	2,772	10,674	1,659	4,422	6,081	3,216	9,297
1978	4,058	4,440	8,498	2,972	11,469	1,544	4,635	6,178	3,596	9,774
1979	5,798	5,510	11,308	3,629	14,937	1,611	5,833	7,444	4,098	11,541
1980	8,302	6,061	14,363	4,501	18,864	2,256	7,491	9,747	4,731	14,478
1981	9,194	6,559	15,754	5,115	20,869	2,840	9,592	12,432	4,952	17,383
1982	10,978	7,241	18,219	5,692	23,912	3,123	10,737	13,860	5,662	19,522
Utilities						Trade, finance and commercial services				
(Millions of dollars)										
1960	1,074	698	1,772	713	2,485	466	409	875	168	1,043
1961	1,088	610	1,698	723	2,421	451	396	847	162	1,009
1962	982	619	1,601	734	2,335	438	422	860	164	1,024
1963	1,111	660	1,771	774	2,545	468	450	918	183	1,101
1964	1,332	727	2,059	822	2,881	548	494	1,042	195	1,237
1965	1,443	980	2,423	867	3,290	705	564	1,269	220	1,489
1966	1,666	1,260	2,926	945	3,871	860	667	1,527	248	1,775
1967	1,748	1,397	3,145	1,019	4,164	764	770	1,534	272	1,806
1968	1,774	1,446	3,220	1,070	4,290	710	762	1,472	300	1,772
1969	1,719	1,586	3,305	1,113	4,418	704	952	1,656	299	1,955
1970	2,044	1,584	3,628	1,218	4,846	760	985	1,745	323	2,068
1971	2,228	1,760	3,988	1,318	5,306	901	1,014	1,915	324	2,239
1972	2,357	1,872	4,229	1,424	5,653	1,212	1,430	2,642	355	2,997
1973	2,673	2,484	5,157	1,617	6,774	1,685	1,759	3,445	420	3,864
1974	3,154	3,087	6,241	2,002	8,243	2,184	2,145	4,329	510	4,839
1975	4,403	3,630	8,033	2,229	10,262	2,768	2,448	5,216	591	5,807
1976	4,426	3,828	8,254	2,588	10,842	2,724	2,546	5,270	724	5,994
1977	5,073	4,115	9,188	2,948	12,136	2,605	2,730	5,335	775	6,110
1978	5,626	4,900	10,526	3,393	13,918	2,925	3,402	6,327	912	7,239
1979	6,184	5,576	11,760	3,830	15,590	3,932	4,516	8,449	1,099	9,548
1980	6,717	6,047	12,763	4,439	17,202	4,430	5,079	9,509	1,222	10,731
1981	8,835	7,474	16,309	5,029	21,338	5,415	5,460	10,875	1,337	12,212
1982	11,181	8,040	19,221	5,812	25,033	5,847	5,986	11,833	1,468	13,301

Reference Table 18 (continued)
Private and Public Investment in Canada
1960 – 1982

Year	Capital expenditures					Capital expenditures				
	Construc- tion	Machinery and equipment	Sub- total	Repair expendi- tures	Total	Construc- tion	Machinery and equipment	Sub- total	Repair expendi- tures	Total
Institutions					Housing ⁽¹⁾					
(Millions of dollars)										
1960	500	73	573	71	644	1,522	—	1,522	457	1,979
1961	536	81	617	78	695	1,497	—	1,497	484	1,981
1962	729	105	834	76	910	1,555	—	1,555	513	2,068
1963	757	116	873	75	948	1,652	—	1,652	544	2,196
1964	648	123	771	79	850	1,990	—	1,990	577	2,567
1965	867	145	1,012	82	1,094	2,218	—	2,218	618	2,836
1966	1,020	184	1,204	93	1,297	2,181	—	2,181	661	2,842
1967	1,107	208	1,315	113	1,428	2,378	—	2,378	713	3,091
1968	1,197	225	1,422	118	1,540	2,806	—	2,806	780	3,586
1969	1,134	209	1,343	133	1,476	3,384	—	3,384	844	4,228
1970	1,095	216	1,311	134	1,445	3,138	—	3,138	871	4,009
1971	1,199	236	1,435	152	1,587	4,025	—	4,025	951	4,976
1972	993	225	1,218	168	1,386	4,820	—	4,820	1,051	5,871
1973	914	228	1,142	175	1,316	5,978	—	5,978	1,188	7,165
1974	1,064	275	1,338	199	1,537	7,010	—	7,010	1,451	8,461
1975	1,191	293	1,484	224	1,708	7,114	—	7,114	1,576	8,690
1976	1,168	317	1,485	256	1,741	10,853	—	10,853	1,817	12,669
1977	1,180	335	1,514	313	1,827	11,065	—	11,065	2,061	13,126
1978	1,181	362	1,542	344	1,886	11,450	—	11,450	2,329	13,780
1979	1,328	363	1,690	369	2,059	11,617	—	11,617	2,649	14,267
1980	1,625	506	2,131	420	2,551	11,014	—	11,014	2,862	13,876
1981	1,781	580	2,362	516	2,877	13,140	—	13,140	3,220	16,360
1982	2,007	630	2,637	523	3,160	12,819	—	12,819	3,578	16,397
Government departments					Total					
(Millions of dollars)										
1960	1,171	103	1,274	383	1,657	5,579	2,806	8,385	2,969	11,354
1961	1,125	122	1,247	380	1,627	5,630	2,662	8,292	3,021	11,313
1962	1,130	128	1,258	388	1,646	5,834	2,935	8,769	3,161	11,930
1963	1,154	128	1,282	393	1,675	6,157	3,242	9,398	3,356	12,754
1964	1,303	157	1,460	402	1,862	7,033	3,948	10,981	3,631	14,612
1965	1,494	174	1,668	442	2,110	8,175	4,760	12,935	3,927	16,862
1966	1,702	222	1,924	526	2,450	9,283	5,807	15,090	4,365	19,455
1967	1,731	215	1,946	573	2,519	9,474	5,874	15,348	4,700	20,048
1968	1,679	230	1,909	604	2,513	9,909	5,546	15,455	5,018	20,473
1969	1,908	205	2,113	583	2,696	10,824	6,103	16,927	5,263	22,190
1970	2,001	200	2,201	592	2,793	11,319	6,479	17,798	5,667	23,465
1971	2,443	271	2,714	620	3,334	13,274	6,910	20,184	6,060	26,244
1972	2,731	317	3,048	615	3,663	14,470	7,748	22,218	6,574	28,792
1973	2,962	410	3,372	708	4,080	16,953	9,666	26,618	7,608	34,226
1974	3,751	551	4,302	819	5,121	20,771	12,111	32,882	9,189	42,072
1975	4,392	633	5,025	892	5,917	24,055	14,162	38,216	10,155	48,371
1976	4,440	607	5,047	960	6,007	28,144	15,492	43,636	11,775	55,411
1977	4,865	648	5,513	1,085	6,598	30,130	16,467	46,598	13,170	59,767
1978	5,129	710	5,839	1,151	6,990	31,912	18,448	50,360	14,696	65,055
1979	5,377	710	6,087	1,300	7,387	35,847	22,508	58,354	16,974	75,328
1980	5,814	853	6,666	1,543	8,210	40,157	26,036	66,193	19,718	85,911
1981	6,595	1,047	7,642	1,775	9,417	47,800	30,712	78,512	21,944	100,456
1982	7,406	1,178	8,583	2,023	10,606	53,360	33,812	87,172	24,758	111,930

Note: 1981 figures are actual, 1982 figures are preliminary actual.

(1) Totals differ from housing expenditures as shown in reference tables 3 to 6, in that the national income and expenditure totals include selling costs, principally real estate commissions.

Source: Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*, occasional, cat. 61-504; Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*, annual, cat. 61-206.

Reference Table 19
Private and Public Investment in Canada
1960 – 1982

Year	Capital expenditures				Total	Capital expenditures				Total
	Construc- tion	Machinery and equipment	Sub- total	Repair expendi- tures		Construc- tion	Machinery and equipment	Sub- total	Repair expendi- tures	
Primary and construction industries						Manufacturing				
(Percentage distribution)										
1960	30.1	40.0	70.2	29.8	100.0	18.1	45.6	63.7	36.3	100.0
1961	36.1	35.7	71.8	28.2	100.0	15.8	45.6	61.4	38.6	100.0
1962	33.6	38.6	72.2	27.8	100.0	17.5	45.4	62.9	37.1	100.0
1963	30.9	41.5	72.5	27.5	100.0	16.4	46.5	62.9	37.1	100.0
1964	30.9	42.6	73.5	26.5	100.0	16.2	50.9	67.1	32.9	100.0
1965	30.9	42.5	73.5	26.5	100.0	18.2	52.4	70.6	29.4	100.0
1966	33.2	42.0	75.2	24.8	100.0	19.7	53.0	72.7	27.3	100.0
1967	31.9	42.6	74.5	25.5	100.0	18.3	50.3	68.7	31.3	100.0
1968	32.5	40.1	72.6	27.4	100.0	19.1	44.9	64.1	35.9	100.0
1969	34.3	37.7	71.9	28.1	100.0	19.8	46.8	66.6	33.4	100.0
1970	35.0	34.6	69.7	30.3	100.0	21.5	48.0	69.5	30.5	100.0
1971	37.1	34.9	72.0	28.0	100.0	19.5	47.4	66.9	33.1	100.0
1972	33.1	38.7	71.8	28.2	100.0	18.0	46.0	64.0	36.0	100.0
1973	32.3	38.6	70.9	29.1	100.0	17.6	48.0	65.7	34.3	100.0
1974	33.0	38.2	71.3	28.7	100.0	19.6	48.6	68.2	31.8	100.0
1975	32.7	40.0	72.6	27.4	100.0	19.7	49.6	69.3	30.7	100.0
1976	31.6	42.5	74.1	25.9	100.0	17.2	48.2	65.4	34.6	100.0
1977	34.5	39.5	74.0	26.0	100.0	17.8	47.6	65.4	34.6	100.0
1978	35.4	38.7	74.1	25.9	100.0	15.8	47.4	63.2	36.8	100.0
1979	38.8	36.9	75.7	24.3	100.0	14.0	50.5	64.5	35.5	100.0
1980	44.0	32.1	76.1	23.9	100.0	15.6	51.7	67.3	32.7	100.0
1981	44.1	31.4	75.5	24.5	100.0	16.3	55.2	71.5	28.5	100.0
1982	45.9	30.3	76.2	23.8	100.0	16.0	55.0	71.0	29.0	100.0
Utilities					Trade, finance and commercial services					
(Percentage distribution)										
1960	43.2	28.1	71.3	28.7	100.0	44.7	39.2	83.9	16.1	100.0
1961	44.9	25.2	70.1	29.9	100.0	44.7	39.2	83.9	16.1	100.0
1962	42.1	26.5	68.6	31.4	100.0	42.8	41.2	84.0	16.0	100.0
1963	43.7	25.9	69.6	30.4	100.0	42.5	40.9	83.4	16.6	100.0
1964	46.2	25.2	71.5	28.5	100.0	44.3	39.9	84.2	15.8	100.0
1965	43.9	29.8	73.6	26.4	100.0	47.3	37.9	85.2	14.8	100.0
1966	43.0	32.5	75.6	24.4	100.0	48.5	37.6	86.0	14.0	100.0
1967	42.0	33.5	75.5	24.5	100.0	42.3	42.6	84.9	15.1	100.0
1968	41.4	33.7	75.1	24.9	100.0	40.1	43.0	83.1	16.9	100.0
1969	38.9	35.9	74.8	25.2	100.0	36.0	48.7	84.7	15.3	100.0
1970	42.2	32.7	74.9	25.1	100.0	36.8	47.6	84.4	15.6	100.0
1971	42.0	33.2	75.2	24.8	100.0	40.2	45.3	85.5	14.5	100.0
1972	41.7	33.1	74.8	25.2	100.0	40.4	47.7	88.2	11.8	100.0
1973	39.5	36.7	76.1	23.9	100.0	43.6	45.5	89.1	10.9	100.0
1974	38.3	37.4	75.7	24.3	100.0	45.1	44.3	89.5	10.5	100.0
1975	42.9	35.4	78.3	21.7	100.0	47.7	42.2	89.8	10.2	100.0
1976	40.8	35.3	76.1	23.9	100.0	45.4	42.5	87.9	12.1	100.0
1977	41.8	33.9	75.7	24.3	100.0	42.6	44.7	87.3	12.7	100.0
1978	40.4	35.2	75.6	24.4	100.0	40.4	47.0	87.4	12.6	100.0
1979	39.7	35.8	75.4	24.6	100.0	41.2	47.3	88.5	11.5	100.0
1980	39.0	35.2	74.2	25.8	100.0	41.3	47.3	88.6	11.4	100.0
1981	41.4	35.0	76.4	23.6	100.0	44.3	44.7	89.1	10.9	100.0
1982	44.7	32.1	76.8	23.2	100.0	44.0	45.0	89.0	11.0	100.0

Reference Table 19 (continued)
Private and Public Investment in Canada
1960 – 1982

Year	Capital expenditures				Total	Capital expenditures				Total
	Construc- tion	Machinery and equipment	Sub- total	Repair expendi- tures		Construc- tion	Machinery and equipment	Sub- total	Repair expendi- tures	
Institutions					Housing ⁽¹⁾					
(Percentage distribution)										
1960	77.6	11.3	89.0	11.0	100.0	76.9	—	76.9	23.1	100.0
1961	77.1	11.7	88.8	11.2	100.0	75.6	—	75.6	24.4	100.0
1962	80.1	11.5	91.6	8.4	100.0	75.2	—	75.2	24.8	100.0
1963	79.9	12.2	92.1	7.9	100.0	75.2	—	75.2	24.8	100.0
1964	76.2	14.5	90.7	9.3	100.0	77.5	—	77.5	22.5	100.0
1965	79.3	13.3	92.5	7.5	100.0	78.2	—	78.2	21.8	100.0
1966	78.6	14.2	92.8	7.2	100.0	76.7	—	76.7	23.3	100.0
1967	77.5	14.6	92.1	7.9	100.0	76.9	—	76.9	23.1	100.0
1968	77.7	14.6	92.3	7.7	100.0	78.2	—	78.2	21.8	100.0
1969	76.8	14.2	91.0	9.0	100.0	80.0	—	80.0	20.0	100.0
1970	75.8	14.9	90.7	9.3	100.0	78.3	—	78.3	21.7	100.0
1971	75.6	14.9	90.4	9.6	100.0	80.9	—	80.9	19.1	100.0
1972	71.6	16.2	87.9	12.1	100.0	82.1	—	82.1	17.9	100.0
1973	69.4	17.3	86.7	13.3	100.0	83.4	—	83.4	16.6	100.0
1974	69.2	17.9	87.1	12.9	100.0	82.9	—	82.9	17.1	100.0
1975	69.7	17.2	86.9	13.1	100.0	81.9	—	81.9	18.1	100.0
1976	67.1	18.2	85.3	14.7	100.0	85.7	—	85.7	14.3	100.0
1977	64.6	18.3	82.9	17.1	100.0	84.3	—	84.3	15.7	100.0
1978	62.6	19.2	81.8	18.2	100.0	83.1	—	83.1	16.9	100.0
1979	64.5	17.6	82.1	17.9	100.0	81.4	—	81.4	18.6	100.0
1980	63.7	19.8	83.6	16.4	100.0	79.4	—	79.4	20.6	100.0
1981	61.9	20.2	82.1	17.9	100.0	80.3	—	80.3	19.7	100.0
1982	63.5	19.9	83.4	16.6	100.0	78.2	—	78.2	21.8	100.0
Government departments					Total					
(Percentage distribution)										
1960	70.7	6.2	76.9	23.1	100.0	49.1	24.7	73.8	26.2	100.0
1961	69.1	7.5	76.6	23.4	100.0	49.8	23.5	73.6	26.7	100.0
1962	68.7	7.8	76.4	23.6	100.0	48.9	24.7	73.4	26.6	100.0
1963	68.9	7.6	76.5	23.5	100.0	48.3	25.4	73.7	26.3	100.0
1964	70.0	8.4	78.4	21.6	100.0	48.1	27.0	75.1	24.9	100.0
1965	70.8	8.2	79.1	20.9	100.0	48.5	28.2	76.6	23.4	100.0
1966	69.5	9.1	78.5	21.5	100.0	47.7	29.8	77.6	22.4	100.0
1967	68.7	8.5	77.3	22.7	100.0	47.2	29.3	76.5	23.5	100.0
1968	66.8	9.2	76.0	24.0	100.0	48.4	27.1	75.5	24.5	100.0
1969	70.8	7.6	78.4	21.6	100.0	48.8	27.5	76.3	23.7	100.0
1970	71.6	7.2	78.8	21.2	100.0	48.2	27.6	75.9	24.1	100.0
1971	73.3	8.1	81.4	18.6	100.0	50.6	26.3	76.9	23.1	100.0
1972	74.6	8.7	83.2	16.8	100.0	50.3	26.9	77.2	22.8	100.0
1973	72.6	10.0	82.6	17.4	100.0	49.5	28.2	77.8	22.2	100.0
1974	73.2	10.8	84.0	16.0	100.0	49.4	28.8	78.2	21.8	100.0
1975	74.2	10.7	84.9	15.1	100.0	49.7	29.3	79.0	21.0	100.0
1976	73.9	10.1	84.0	16.0	100.0	50.8	28.0	78.7	21.3	100.0
1977	73.7	9.8	83.6	16.4	100.0	50.4	27.6	78.0	22.0	100.0
1978	73.4	10.2	83.5	16.5	100.0	49.1	28.4	77.4	22.6	100.0
1979	72.8	9.6	82.4	17.6	100.0	47.6	29.9	77.5	22.5	100.0
1980	70.8	10.4	81.2	18.8	100.0	46.7	30.3	77.0	23.0	100.0
1981	70.0	11.1	81.2	18.8	100.0	47.6	30.6	78.2	21.8	100.0
1982	69.8	11.1	80.9	19.1	100.0	47.7	30.2	77.9	22.1	100.0

Note: 1981 figures are actual, 1982 figures are preliminary actual.

⁽¹⁾ Totals differ from housing expenditures as shown in reference tables 3 to 6, in that the national income and expenditure totals include selling costs, principally real estate commissions.

Source: Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*.

Reference Table 20
Private and Public Investment by Region
Capital Expenditures
1960 – 1982

Year	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Atlantic region	Quebec
D	836852	836856	836863	836870	836940	836877
(Millions of dollars)						
1960	146	37	234	180	597	2,007
1961	184	38	224	171	617	2,008
1962	261	43	223	179	706	2,154
1963	236	43	234	189	702	2,301
1964	231	39	270	257	797	2,828
1965	228	57	318	334	937	3,206
1966	340	57	411	390	1,198	3,441
1967	360	46	463	378	1,246	3,203
1968	387	41	461	330	1,219	3,175
1969	395	44	552	392	1,383	3,376
1970	503	54	607	471	1,635	3,418
1971	678	73	628	497	1,876	4,150
1972	607	72	613	487	1,779	4,824
1973	634	124	825	636	2,219	5,826
1974	698	118	893	976	2,685	7,398
1975	714	118	922	1,159	2,913	9,170
1976	829	111	1,041	1,177	3,159	9,813
1977	712	130	1,040	1,155	3,038	10,702
1978	784	172	1,190	1,310	3,456	10,794
1979	1,035	201	1,323	1,652	4,211	11,854
1980	1,087	207	1,446	1,469	4,209	12,820
1981	1,151	174	1,941	1,514	4,781	14,045
1982	1,383	180	2,096	1,622	5,280	13,668
	Ontario	Manitoba	Saskatchewan	Alberta	Prairie region	British Columbia ⁽¹⁾
	836884	836891	836898	836905	836947	836912 + 836919
(Millions of dollars)						
1960	2,856	487	474	946	1,907	895
1961	2,794	417	454	981	1,852	901
1962	3,054	424	513	937	1,874	927
1963	3,282	491	603	995	2,089	1,019
1964	3,747	528	648	1,100	2,276	1,296
1965	4,379	537	773	1,320	2,630	1,713
1966	5,289	651	921	1,553	3,124	2,037
1967	5,416	714	959	1,667	3,340	2,139
1968	5,579	820	943	1,723	3,486	1,996
1969	6,307	901	755	1,914	3,570	2,291
1970	6,928	871	603	1,957	3,431	2,386
1971	7,460	812	664	2,139	3,615	3,083
1972	8,237	970	824	2,383	4,177	3,201
1973	9,714	1,143	979	2,931	5,053	3,804
1974	11,816	1,379	1,262	3,831	6,472	4,511
1975	12,920	1,521	1,780	5,007	8,308	4,905
1976	13,948	1,812	2,180	7,002	10,995	5,722
1977	14,732	1,897	2,269	7,826	11,992	6,133
1978	15,561	2,018	2,393	9,431	13,842	6,706
1979	17,093	2,041	3,104	11,920	17,064	8,131
1980	19,106	2,024	3,324	14,210	19,559	10,499
1981	22,788	2,282	4,144	17,162	23,588	13,310
1982	23,373	2,134	4,207	18,429	24,770	13,486

Note: 1981 figures are actual, 1982 figures are preliminary actual.

⁽¹⁾ Includes the Yukon and the Northwest Territories.

Source: Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*.

Reference Table 21

Private Investment Capital Expenditures Excluding Housing by Region⁽¹⁾ 1965 – 1982

Year	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia ⁽²⁾
(Millions of dollars)						
1965	8,052	521	1,909	2,692	1,780	1,148
1966	9,781	702	2,225	3,313	2,145	1,396
1967	9,709	742	1,970	3,257	2,303	1,436
1968	9,318	689	1,853	3,123	2,381	1,271
1969	10,087	841	1,846	3,619	2,323	1,458
1970	11,148	1,052	1,883	4,341	2,300	1,570
1971	12,010	1,185	2,141	4,377	2,282	2,024
1972	13,132	1,056	2,719	4,696	2,744	1,916
1973	16,127	1,262	3,421	5,622	3,466	2,356
1974	20,232	1,492	4,468	7,058	4,453	2,762
1975	24,594	1,597	5,880	8,363	5,775	2,978
1976	26,252	1,653	5,676	8,409	7,298	3,216
1977	28,505	1,681	6,320	8,989	7,905	3,610
1978	31,528	1,928	6,782	9,802	8,934	4,082
1979	38,960	2,538	7,797	11,412	11,770	5,444
1980	46,382	2,636	8,760	13,647	14,281	7,058
1981	55,370	3,151	9,497	16,440	17,596	8,686
1982	63,133	4,095	10,398	18,849	20,548	9,242
(Per cent change)						
1965	20.4	11.8	15.3	21.2	18.3	36.7
1966	21.5	34.6	16.5	23.1	20.5	21.6
1967	-0.7	5.8	-11.5	-1.7	7.4	2.9
1968	-4.0	-7.2	-5.9	-4.1	3.4	-11.5
1969	8.3	22.1	-0.4	15.9	-2.4	14.7
1970	10.5	25.1	2.0	20.0	-1.0	7.7
1971	7.7	12.6	13.7	0.8	-0.8	28.9
1972	9.3	-10.9	27.0	7.3	20.2	-5.3
1973	22.8	19.5	25.8	19.7	26.3	22.9
1974	25.5	18.2	30.6	25.5	28.5	17.2
1975	21.6	7.1	31.6	18.5	29.7	7.8
1976	6.7	3.5	-3.5	0.5	26.4	8.0
1977	8.6	1.7	11.3	6.9	8.3	12.3
1978	10.6	14.7	7.3	9.0	13.0	13.1
1979	23.6	31.6	15.0	16.4	31.7	33.4
1980	19.0	3.9	12.3	19.6	21.3	29.6
1981	19.4	19.5	8.4	20.5	23.2	23.1
1982	14.0	30.0	9.5	14.7	16.8	6.4

Note: 1981 figures are actual, 1982 figures are preliminary actual.

(1) Total private and public expenditures minus housing, institutions and government departments.

(2) Includes the Yukon and the Northwest Territories.

Source: Statistics Canada and Department of Industry, Trade and Commerce, *Private and Public Investment in Canada*.

Reference Table 22
Dwelling Starts, Completions and Under Construction
1948 – 1982

Year	Starts			Completions			Under construction ⁽¹⁾	
	Centres of 5,000 population and over ⁽²⁾	Other areas	Total	Centres of 5,000 population and over ⁽²⁾	Other areas	Total	Centres of 5,000 population and over ⁽²⁾	Total
(Number of units)								
1948.....	57,888	32,306	90,194	48,006	28,091	76,097	39,217	56,456
1949.....	58,125	32,384	90,509	59,785	28,448	88,233	37,344	58,169
1950.....	68,599	23,932	92,531	62,847	26,168	89,015	41,510	60,538
1951.....	47,374	21,205	68,579	61,167	20,143	81,310	26,783	45,926
1952.....	63,443	19,803	83,246	54,346	18,741	73,087	36,998	55,689
1953.....	80,313	22,096	102,409	73,375	23,464	96,839	42,808	59,923
1954.....	89,755	23,772	113,527	80,593	21,372	101,965	51,302	68,641
1955.....	97,386	40,890	138,276	93,942	33,987	127,929	53,677	79,339
1956.....	87,309	40,002	127,311	95,152	40,548	135,700	44,386	68,579
1957.....	84,875	37,465	122,340	80,995	36,288	117,283	49,508	72,573
1958.....	121,695	42,937	164,632	107,839	38,847	146,686	63,080	88,162
1959.....	105,991	35,354	141,345	108,059	37,612	145,671	59,879	81,905
1960.....	76,687	32,171	108,858	90,513	33,244	123,757	44,975	65,773
1961.....	92,741	32,836	125,577	83,148	32,460	115,608	53,195	73,583
1962.....	102,008	28,087	130,095	98,530	28,152	126,682	59,387	76,153
1963.....	118,512	36,112	148,624	99,133	29,058	128,191	77,929	96,613
1964.....	133,562	30,096	165,658	121,378	29,585	150,963	88,493	107,718
1965.....	135,218	31,347	166,565	122,197	30,840	153,037	99,815	119,854
1966.....	108,329	26,145	134,474	134,569	27,623	162,192	71,477	88,621
1967.....	131,858	32,265	164,123	120,163	29,079	149,242	82,616	102,716
1968.....	162,267	34,611	196,878	136,337	34,656	170,993	106,834	126,638
1969.....	169,739	40,676	210,415	159,089	36,737	195,826	114,386	137,357
1970.....	150,999	39,529	190,528	138,576	37,251	175,827	123,901	148,185
1971.....	180,948	52,705	233,653	155,892	45,340	201,232	145,885	177,257
1972.....	206,954	42,960	249,914	192,984	39,243	232,227	163,318	188,630
1973.....	211,543	56,986	268,529	197,513	49,068	246,581	174,852	207,236
1974.....	169,437	52,686	222,123	202,989	54,254	257,243	138,360	168,406
1975.....	181,846	49,610	231,456	170,325	46,639	216,964	146,517	176,599
1976.....	209,762	63,441	273,203	180,765	55,484	236,249	168,282	204,286
1977.....	200,201	45,523	245,724	206,217	45,572	251,789	158,216	185,599
1978.....	178,678	48,989	227,667	198,777	47,756	246,533	135,239	164,702
1979.....	151,717	45,332	197,049	178,604	47,885	226,489	103,414	128,601
1980.....	125,013	33,588	158,601	140,996	35,172	176,168	84,195	105,780
1981.....	142,441	35,532	177,973	137,955	37,041	174,996	85,515	102,829
1982.....	104,792	21,068	125,860	112,251	21,691	133,942	74,685	89,055

Note: Data for 1962 to 1965 are based on 1961 Census area definitions, for 1966 to 1971 on 1966 Census area definitions, for 1972 to 1976 on 1971 Census area definitions. Subsequent data are based on 1976 Census area definitions.

(1) At end of period.

(2) Data for years after 1967 based on areas of 10,000 population and over.

Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*.

Reference Table 23
Dwelling Starts and Completions, by Type
1949 – 1982

Year	Starts					Completions				
	Single detached	Semi-detached and duplex	Row	Apartments	Total	Single detached	Semi-detached and duplex	Row	Apartments	Total
(Number of units)										
1949	71,425	7,536	0	11,548	90,509	68,966	7,309	485	11,473	88,233
1950	68,675	8,664	631	14,561	92,531	68,685	7,376	145	12,809	89,015
1951	53,002	5,658	54	9,865	68,579	60,366	7,568	585	12,791	81,310
1952	60,696	5,360	299	16,891	83,246	55,967	5,314	99	11,707	73,087
1953	70,782	7,202	553	23,872	102,409	68,916	7,714	372	19,837	96,839
1954	78,574	6,498	1,000	27,455	113,527	71,760	6,098	1,065	23,042	101,965
1955	99,003	10,606	1,909	26,758	138,276	90,553	8,278	1,547	27,551	127,929
1956	90,620	9,441	2,263	24,987	127,311	95,656	11,872	2,137	26,035	135,700
1957	82,955	9,272	2,214	27,899	122,340	81,096	8,464	2,350	25,373	117,283
1958	104,508	10,713	2,457	46,954	164,632	96,830	10,004	2,226	37,626	146,686
1959	92,178	10,468	1,908	36,791	141,345	95,455	10,923	2,308	36,985	145,671
1960	67,171	9,699	2,301	29,687	108,858	78,113	9,911	1,616	34,117	123,757
1961	76,430	11,650	1,864	35,633	125,577	76,171	10,593	2,019	26,825	115,608
1962	74,443	10,975	3,742	40,935	130,095	75,593	11,922	2,451	36,716	126,682
1963	77,158	7,891	3,895	59,680	148,624	71,585	7,150	3,487	45,969	128,191
1964	77,079	8,706	4,755	75,118	165,658	76,225	8,091	3,861	62,786	150,963
1965	75,441	7,924	5,306	77,894	166,565	75,104	8,730	4,097	65,106	153,037
1966	70,642	7,281	5,000	51,551	134,474	73,858	7,707	6,412	74,215	162,192
1967	72,534	9,939	7,392	74,258	164,123	73,631	9,089	5,431	61,091	149,242
1968	75,339	10,114	8,042	103,383	196,878	74,640	10,098	7,896	78,359	170,993
1969	78,404	10,373	10,721	110,917	210,415	78,584	10,483	7,827	98,932	195,826
1970	70,749	10,826	17,055	91,898	190,528	66,615	9,066	11,473	88,673	175,827
1971	98,056	13,751	15,659	106,187	233,653	82,978	12,518	16,795	88,941	201,232
1972	115,570	13,649	16,980	103,715	249,914	106,508	13,184	14,416	98,119	232,227
1973	131,552	13,235	17,291	106,451	268,529	122,696	13,479	14,832	95,574	246,581
1974	122,143	11,023	14,932	74,025	222,123	129,704	12,509	19,225	95,805	257,243
1975	123,929	15,403	21,763	70,361	231,456	113,409	12,303	16,095	75,157	216,964
1976	134,313	15,890	33,676	89,324	273,203	128,623	15,160	21,172	71,294	236,249
1977	108,403	18,373	26,621	92,327	245,724	117,792	17,281	31,561	85,155	251,789
1978	110,029	19,932	20,379	77,327	227,667	106,195	19,155	26,644	94,539	246,533
1979	109,117	16,296	13,249	58,387	197,049	112,105	18,071	18,860	77,453	226,489
1980	87,721	11,149	11,402	48,329	158,601	90,720	13,675	13,398	58,375	176,168
1981	89,071	11,768	15,525	61,609	177,973	98,412	12,831	13,252	50,501	174,996
1982	54,457	6,254	11,987	53,162	125,860	54,720	8,480	16,082	54,660	133,942

Note: See Note to Table 22.

Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*; Canada Mortgage and Housing Corporation, *Housing in Canada*.

Reference Table 24
Manufacturers' Inventories, Shipments and Orders
1961 – 1982

Year	Manufacturing					Durable manufacturing			Non-durable manufacturing		
	Ship- ments	New orders received	Unfilled orders	Total inven- tories held	Stock to sales ratio ⁽¹⁾	Ship- ments	New orders received	Unfilled orders	Ship- ments	New orders received	Unfilled orders
D	310000 310030	310060 310083	310106 310129	310152 310175		310022 310052	310082 310105	310128 310151	310021 310051	310081 310104	310127 310150
(Millions of dollars)											
1961	1,953	1,968	1,960	4,529	2.32	769	726	1,526	1,184	1,193	434
1962	2,149	2,158	2,177	4,867	2.26	883	894	1,747	1,267	1,264	430
1963	2,335	2,344	2,199	5,085	2.18	988	995	1,784	1,347	1,350	415
1964	2,571	2,601	2,497	5,436	2.11	1,121	1,151	2,069	1,451	1,450	428
1965	2,824	2,867	2,950	5,952	2.11	1,281	1,318	2,491	1,543	1,549	459
1966	3,109	3,181	3,656	6,738	2.17	1,421	1,489	3,141	1,687	1,692	515
1967	3,246	3,241	4,025	7,408	2.28	1,478	1,475	3,513	1,768	1,766	512
1968	3,505	3,508	3,961	7,446	2.12	1,633	1,628	3,384	1,872	1,880	577
1969	3,828	3,885	4,345	8,064	2.11	1,811	1,865	3,705	2,018	2,020	640
1970	3,865	3,849	4,722	8,611	2.23	1,785	1,767	3,860	2,080	2,082	863
1971	4,189	4,215	4,834	8,643	2.06	1,977	1,997	3,954	2,213	2,218	880
1972	4,687	4,736	5,049	9,197	1.97	2,222	2,265	4,097	2,465	2,471	952
1973	5,563	5,793	6,707	10,420	1.88	2,638	2,848	5,567	2,925	2,945	1,140
1974	6,871	7,125	10,063	13,674	1.99	3,136	3,386	8,699	3,735	3,739	1,363
1975	7,372	7,297	10,818	16,350	2.22	3,346	3,284	9,594	4,025	4,013	1,224
1976	8,190	8,117	10,043	17,420	2.13	3,749	3,667	8,807	4,442	4,450	1,236
1977	9,083	9,212	10,741	18,943	2.09	4,169	4,284	9,381	4,914	4,927	1,360
1978	10,775	11,035	12,760	20,882	1.94	5,012	5,238	11,043	5,763	5,798	1,717
1979	12,707	12,965	16,441	24,728	1.95	5,869	6,111	14,383	6,838	6,854	2,058
1980	14,034	14,173	18,924	29,410	2.10	6,239	6,349	16,705	7,795	7,823	2,219
1981	15,776	15,785	19,875	33,391	2.12	6,859	6,875	17,492	8,917	8,910	2,382
1982	15,250	15,040	17,905	34,842	2.28	6,342	6,149	15,674	8,908	8,891	2,231

⁽¹⁾ Ratio of total inventories held to shipments.

Source: Statistics Canada, *Inventories, Shipments and Orders in Manufacturing Industries*, monthly, cat. 31-001.

Reference Table 26
Main Components of the Labour Market⁽¹⁾
1966 – 1982⁽²⁾

Year	Population 15 years and over	Labour force			Employment			Unem- ployment	Total immigration	Immigrants destined to the labour force
		Total	Male	Female	Total	Male	Female			
D	767284 —	767285 767606	767417 767681	767549 767748	767286 767608	767418 767683	767550 767750	767287 767609	55	66
(Thousands of persons)										
1966	13,083	7,493	5,147	2,346	7,242	4,975	2,267	251	195	99
1967	13,444	7,747	5,261	2,485	7,451	5,058	2,393	296	223	120
1968	13,805	7,951	5,354	2,597	7,593	5,110	2,483	358	184	95
1969	14,162	8,194	5,465	2,728	7,832	5,230	2,601	362	162	84
1970	14,528	8,395	5,571	2,824	7,919	5,260	2,660	476	148	78
1971	14,872	8,639	5,667	2,972	8,104	5,329	2,775	535	122	61
1972	15,186	8,897	5,797	3,101	8,344	5,460	2,885	553	122	59
1973	15,526	9,276	5,973	3,303	8,761	5,678	3,083	515	184	92
1974	15,924	9,639	6,163	3,477	9,125	5,870	3,255	514	218	106
1975	16,323	9,974	6,294	3,680	9,284	5,903	3,381	690	188	81
1976	16,706	10,206	6,369	3,837	9,479	5,965	3,515	727	149	61
1977	17,057	10,498	6,505	3,994	9,648	6,031	3,617	850	115	48
1978	17,382	10,882	6,650	4,232	9,972	6,148	3,824	911	86	35
1979	17,691	11,207	6,799	4,408	10,369	6,347	4,022	838	112	48
1980	18,005	11,522	6,909	4,613	10,655	6,430	4,225	867	143	64
1981	18,295	11,830	7,019	4,811	10,933	6,522	4,411	898	128	57
1982	18,573	11,879	6,994	4,884	10,574	6,220	4,354	1,305	—	n.a.
(Percentage change)										
1967	2.8	3.4	2.2	5.9	2.9	1.7	5.6	45	28	20
1968	2.7	2.6	1.8	4.5	1.9	1.0	3.8	62	-39	-24
1969	2.6	3.1	2.1	5.0	3.1	2.3	4.8	4	-22	-11
1970	2.6	2.5	1.9	3.5	1.1	0.6	2.3	114	-14	-7
1971	2.4	2.9	1.7	5.2	2.3	1.3	4.3	59	-26	-16
1972	2.1	3.0	2.3	4.3	3.0	2.5	4.0	18	0	-2
1973	2.2	4.3	3.0	6.5	5.0	4.0	6.9	-38	62	33
1974	2.6	3.9	3.2	5.2	4.2	3.4	5.6	-1	34	14
1975	2.5	3.5	2.1	5.9	1.7	0.6	3.9	175	-31	-25
1976	2.3	2.3	1.2	4.3	2.1	1.0	4.0	37	-38	-20
1977	2.1	2.9	2.1	4.1	1.8	1.1	2.9	124	-35	-14
1978	1.9	3.7	2.2	6.0	3.4	1.9	5.7	60	-29	-12
1979	1.8	3.0	2.2	4.2	4.0	3.2	5.2	-72	26	13
1980	1.8	2.8	1.6	4.6	2.8	1.3	5.0	28	31	16
1981	1.6	2.7	1.6	4.3	2.6	1.4	4.4	31	-15	-7
1982	1.5	0.4	-0.4	1.5	-3.3	-4.6	-1.3	407	—	n.a.

(1) Small differences in totals may arise due to rounding.

(2) Labour Force Survey data were first collected under the revised Labour Force Survey in January, 1975. In January, 1976, the Revised Survey replaced the former Survey. Revised data have been estimated back to 1966. The former Labour Force Survey data (1954-1975) may be found in the 1976 edition of this Review.

Source: Statistics Canada. *The Labour Force*, annual, cat. 71-001, and *Historical Labour Force Statistics*, annual, cat. 71-201; Department of Employment and Immigration, *Immigration Statistics. Quarterly Immigration Bulletin*.

Reference Table 27
Participation and Unemployment Rates by Sex and Age Groups
1966 – 1982⁽¹⁾

Year	Participation rates						Total
	Male			Female			
	Total	15-24	25+	Total	15-24	25+	
D	767420 767685	767430 767697	767389 767656	767552 767752	767562 767763	767521 767730	767288 767610
(Per cent)							
1966	79.8	64.1	84.9	35.4	48.4	31.2	57.3
1967	79.3	64.1	84.5	36.5	49.1	32.3	57.6
1968	78.6	63.3	84.0	37.1	49.8	32.8	57.6
1969	78.3	62.7	83.8	38.0	50.2	33.8	57.9
1970	77.8	62.5	83.3	38.3	49.5	34.5	57.8
1971	77.3	62.7	82.7	39.4	50.8	35.4	58.1
1972	77.5	64.4	82.3	40.2	51.8	36.2	58.6
1973	78.2	66.8	82.3	41.9	54.2	37.6	59.7
1974	78.7	68.9	82.2	43.0	56.0	38.5	60.5
1975	78.4	68.8	81.9	44.4	56.8	40.0	61.1
1976	77.6	67.9	81.1	45.2	56.8	41.1	61.1
1977	77.6	68.8	80.9	46.0	57.5	42.1	61.5
1978	77.9	69.7	81.0	47.8	58.9	44.0	62.6
1979	78.4	71.4	80.9	48.9	61.0	44.9	63.3
1980	78.3	72.0	80.5	50.3	62.6	46.2	64.0
1981	78.3	72.5	80.3	51.6	63.2	47.9	64.7
1982	76.9	69.5	79.3	51.6	62.3	48.3	64.0
Unemployment rates							
	Male			Female			Total
	Total	15-24	25+	Total	15-24	25+	
	767421 767686	767431 767698	767390 767657	767553 767753	767563 767764	767522 767731	767289 767611
(Per cent)							
1966	3.3	6.3	2.6	3.4	4.8	2.7	3.4
1967	3.9	7.2	3.0	3.7	5.5	2.8	3.8
1968	4.6	8.7	3.5	4.4	6.5	3.3	4.5
1969	4.3	8.3	3.2	4.7	6.5	3.7	4.4
1970	5.6	11.2	4.1	5.8	8.6	4.4	5.7
1971	6.0	12.0	4.3	6.6	9.8	5.0	6.2
1972	5.8	11.9	4.1	7.0	9.6	5.7	6.2
1973	4.9	10.0	3.4	6.7	9.2	5.4	5.5
1974	4.8	9.6	3.3	6.4	8.9	5.1	5.3
1975	6.2	12.5	4.3	8.1	11.4	6.5	6.9
1976	6.4	13.3	4.2	8.4	12.1	6.6	7.1
1977	7.3	14.9	4.9	9.4	13.8	7.4	8.1
1978	7.6	15.1	5.2	9.6	13.9	7.7	8.4
1979	6.6	13.3	4.5	8.8	12.7	7.0	7.5
1980	6.9	13.8	4.8	8.4	12.7	6.5	7.5
1981	7.1	14.2	4.9	8.3	12.3	6.7	7.6
1982	11.1	21.1	8.1	10.8	16.1	8.8	11.0

(1) See note 2 on reference table 26.

Source: Statistics Canada, *The Labour Force and Historical Labour Force Statistics*.

Reference Table 28
Participation Rates, Canada and by Region
1966 – 1982⁽¹⁾

Year	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia
D	767860		769841	769904		769922
(Labour force as a percentage of population 15 years and over)						
1966	57.3	50.4	56.0	59.8	58.3	56.7
1967	57.6	50.4	56.4	60.2	58.3	57.5
1968	57.6	50.0	55.6	60.3	59.5	57.6
1969	57.9	49.9	55.9	60.5	59.7	58.2
1970	57.8	49.3	55.4	60.5	60.0	58.7
1971	58.1	49.8	56.0	60.9	60.0	58.3
1972	58.6	50.5	55.9	61.7	60.8	58.8
1973	59.7	52.3	57.6	62.4	61.8	59.6
1974	60.5	53.4	58.0	63.4	62.6	60.3
1975	61.1	53.5	58.5	64.1	63.0	61.1
1976	61.1	53.4	58.3	63.9	63.8	61.3
1977	61.5	53.7	58.9	64.3	64.3	61.5
1978	62.6	54.9	59.7	65.5	65.3	62.6
1979	63.3	55.5	60.1	66.6	66.3	62.7
1980	64.0	56.2	61.0	66.8	67.1	63.7
1981	64.7	56.3	61.2	67.7	68.1	64.7
1982	64.0	55.8	59.7	67.4	67.8	63.8

⁽¹⁾ See note 2 on reference table 26.

Source: Statistics Canada, *The Labour Force*, and *Historical Labour Force Statistics*.

Reference Table 29
Labour Force, Canada and by Region
1966 – 1982⁽¹⁾

Year	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia
D	767870		769838	769901		769919						
	(Thousands of persons)						(Per cent change)					
1966.....	7,493	615	2,113	2,787	1,262	716	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1967.....	7,747	626	2,184	2,891	1,286	759	3.4	1.8	3.4	3.8	1.9	6.0
1968.....	7,951	635	2,205	2,980	1,342	789	2.6	1.5	0.9	3.1	4.3	4.0
1969.....	8,194	647	2,264	3,077	1,376	830	3.1	1.9	2.7	3.3	2.6	5.2
1970.....	8,395	652	2,288	3,177	1,407	871	2.5	0.7	1.1	3.2	2.2	5.0
1971.....	8,639	673	2,347	3,290	1,429	899	2.9	3.3	2.6	3.6	1.6	3.2
1972.....	8,897	696	2,383	3,410	1,471	938	3.0	3.4	1.5	3.6	2.9	4.3
1973.....	9,276	736	2,499	3,532	1,522	987	4.3	5.8	4.9	3.6	3.5	5.2
1974.....	9,639	767	2,570	3,686	1,576	1,040	3.9	4.1	2.8	4.4	3.6	5.4
1975.....	9,974	787	2,647	3,818	1,635	1,087	3.5	2.6	3.0	3.6	3.7	4.5
1976.....	10,206	805	2,689	3,885	1,712	1,116	2.3	2.3	1.6	1.7	4.7	2.6
1977.....	10,498	829	2,756	3,994	1,775	1,144	2.9	2.9	2.5	2.8	3.7	2.5
1978.....	10,882	864	2,827	4,147	1,852	1,192	3.7	4.2	2.6	3.8	4.3	4.2
1979.....	11,207	892	2,878	4,289	1,926	1,223	3.0	3.2	1.8	3.4	4.0	2.6
1980.....	11,522	919	2,959	4,366	2,000	1,278	2.8	3.1	2.8	1.8	3.8	4.5
1981.....	11,830	935	2,996	4,481	2,082	1,337	2.7	1.7	1.3	2.6	4.1	4.7
1982.....	11,879	938	2,947	4,519	2,128	1,346	0.4	0.3	-1.6	0.8	2.2	0.7

⁽¹⁾ See note 2 on reference table 26.

Source: Statistics Canada, *The Labour Force*, and *Historical Labour Force Statistics*.

Reference Table 30
Employment, Canada and by Region
1966 – 1982⁽¹⁾

Year	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia
D	767888		769839	769902		769920						
	(Thousands of persons)						(Per cent change)					
1966.....	7,242	583	2,027	2,714	1,233	684	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1967.....	7,451	593	2,085	2,799	1,254	720	2.9	1.5	2.8	3.1	1.7	5.3
1968.....	7,593	598	2,081	2,873	1,299	742	1.9	0.9	-0.2	2.6	3.5	3.1
1969.....	7,832	607	2,126	2,979	1,331	788	3.1	1.5	2.2	3.7	2.5	6.2
1970.....	7,919	612	2,128	3,037	1,337	805	1.1	0.8	0.1	2.0	0.4	2.1
1971.....	8,104	626	2,175	3,113	1,356	834	2.3	2.3	2.2	2.5	1.4	3.7
1972.....	8,344	642	2,205	3,239	1,394	865	3.0	2.5	1.4	4.1	2.8	3.7
1973.....	8,761	679	2,330	3,380	1,451	920	5.0	5.9	5.7	4.4	4.1	6.4
1974.....	9,125	702	2,401	3,523	1,523	976	4.2	3.3	3.0	4.2	5.0	6.0
1975.....	9,284	710	2,434	3,576	1,571	995	1.7	1.1	1.4	1.5	3.1	1.9
1976.....	9,479	718	2,456	3,645	1,641	1,020	2.1	1.1	0.9	1.9	4.5	2.5
1977.....	9,648	725	2,473	3,714	1,690	1,047	1.8	1.0	0.7	1.9	3.0	2.7
1978.....	9,972	756	2,520	3,847	1,756	1,093	3.4	4.3	1.9	3.6	3.9	4.4
1979.....	10,369	786	2,602	4,008	1,843	1,129	4.0	4.1	3.3	4.2	4.9	3.3
1980.....	10,655	817	2,667	4,066	1,914	1,191	2.8	3.8	2.5	1.4	3.9	5.5
1981.....	10,933	826	2,685	4,186	1,988	1,247	2.6	1.2	0.7	2.9	3.9	4.7
1982.....	10,574	803	2,540	4,078	1,970	1,183	-3.3	-2.8	-5.4	-2.6	-0.9	-5.1

⁽¹⁾ See note 2 on reference table 26.

Source: Statistics Canada, *The Labour Force*, and *Historical Labour Force Statistics*.

Reference Table 31
Estimates of Employees by Industry
1961 – 1982

Year	Non-agri- cultural total	Mines, quarries and oil wells	Manu- facturing	Con- struction	Transpor- tation, storage and communi- cations	Trade	Finance, insurance and real estate	Communi- ty business and personal services	Public administra- tion and defence
(Thousands)									
1961	4,719	108	1,306	282	581	758	196	1,079	333
1962	4,924	109	1,368	301	583	791	207	1,143	341
1963	5,097	107	1,416	308	592	821	220	1,209	345
1964	5,345	108	1,486	332	604	854	231	1,292	355
1965	5,626	115	1,554	367	622	898	240	1,384	364
1966	5,922	117	1,637	392	641	944	248	1,482	379
1967	6,101	119	1,641	376	659	968	265	1,589	401
1968	6,235	121	1,638	372	646	1,002	282	1,684	415
1969	6,490	120	1,678	379	661	1,057	299	1,800	424
1970	6,592	129	1,648	366	667	1,081	305	1,878	447
1971	6,744	126	1,640	391	685	1,114	316	1,929	475
1972	7,009	123	1,680	404	699	1,186	343	2,009	501
1973	7,397	127	1,775	428	719	1,262	373	2,104	536
1974	7,769	132	1,838	446	764	1,347	405	2,205	558
1975	7,874	131	1,755	451	764	1,381	423	2,310	592
1976	8,006	136	1,773	455	779	1,401	434	2,358	606
1977	8,224	142	1,775	467	795	1,413	472	2,469	621
1978	8,391	140	1,803	436	803	1,467	488	2,545	633
1979	8,691	151	1,874	466	819	1,515	502	2,656	625
1980	8,877	170	1,851	456	843	1,555	517	2,766	636
1981	9,188	178	1,884	475	850	1,629	533	2,933	628
1982	8,900	156	1,711	413	828	1,577	535	2,966	646
(Per cent change)									
1962	4.3	1.3	4.8	6.1	0.5	4.4	5.7	6.0	2.5
1963	3.5	-1.8	3.6	2.7	1.4	3.8	6.0	5.8	1.2
1964	4.8	1.1	4.9	7.9	2.1	4.0	5.4	6.8	2.5
1965	5.3	6.3	4.6	10.4	2.8	5.2	3.8	7.0	2.6
1966	5.2	2.2	5.3	6.8	2.9	5.0	3.4	7.1	4.0
1967	3.0	1.4	0.2	-3.9	2.7	2.6	6.7	7.3	5.9
1968	2.1	1.7	-0.2	-1.0	-1.9	3.5	6.5	5.9	3.4
1969	4.0	-1.8	2.4	1.7	2.2	5.5	5.9	6.9	2.1
1970	1.6	7.4	-1.8	-3.3	1.0	2.2	2.1	4.3	5.5
1971	2.3	-1.4	-0.5	6.4	2.6	3.1	3.5	2.7	6.3
1972	3.9	-2.2	2.5	3.6	2.0	6.4	8.4	4.2	5.4
1973	5.5	3.0	5.6	6.0	2.9	6.5	8.9	4.7	7.0
1974	5.0	4.0	3.5	4.2	6.2	6.7	8.6	4.8	4.3
1975	1.3	-0.4	-4.5	1.1	0.0	2.5	4.4	4.8	6.1
1976	1.7	3.8	1.0	1.0	2.0	1.5	2.7	2.1	2.4
1977	2.7	3.8	0.1	2.4	2.0	0.9	8.7	4.7	2.4
1978	2.0	-1.4	1.6	-6.5	1.0	3.8	3.4	3.0	2.0
1979	3.6	8.0	3.9	6.8	2.1	3.3	2.9	4.4	-1.2
1980	2.1	12.8	-1.2	-2.1	2.8	2.6	2.9	4.1	1.7
1981	3.5	4.6	1.8	4.3	0.8	4.7	3.1	6.0	-1.1
1982	-3.1	-12.4	-9.2	-13.1	-2.6	-3.2	0.4	1.2	2.9

Source: Statistics Canada, *Estimates of Employees by Province and Industry*, cat. 72-008.

Reference Table 32
Unemployment, Canada and by Region
1966 – 1982⁽¹⁾

Year	Unemployed						Unemployment rate					
	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia
D	767891		769840	769903		769921	767863		769842	769905		769923
	(Thousands of persons)						(Per cent)					
1966	251	33	86	72	30	33	3.4	5.4	4.1	2.6	2.4	4.6
1967	296	33	100	92	30	39	3.8	5.3	4.6	3.2	2.5	5.1
1968	358	38	124	107	43	47	4.5	6.0	5.6	3.6	3.2	5.9
1969	362	40	137	99	45	42	4.4	6.2	6.1	3.2	3.3	5.0
1970	476	40	160	139	70	67	5.7	6.2	7.0	4.4	4.9	7.7
1971	535	46	171	178	74	65	6.2	7.0	7.3	5.4	5.2	7.2
1972	553	54	178	171	78	73	6.2	7.7	7.5	5.0	5.3	7.8
1973	515	57	169	152	71	66	5.5	7.8	6.8	4.3	4.7	6.7
1974	514	65	169	164	53	64	5.3	8.4	6.6	4.4	3.4	6.2
1975	690	77	214	242	65	92	6.9	9.8	8.1	6.3	3.9	8.5
1976	727	88	233	240	71	96	7.1	10.9	8.7	6.2	4.1	8.6
1977	850	104	284	280	86	97	8.1	12.6	10.3	7.0	4.9	8.5
1978	911	108	307	300	96	98	8.4	12.5	10.9	7.2	5.2	8.3
1979	838	105	277	280	83	94	7.5	11.8	9.6	6.5	4.3	7.7
1980	867	103	292	300	86	87	7.5	11.2	9.9	6.9	4.3	6.8
1981	898	109	311	295	93	90	7.6	11.7	10.4	6.6	4.5	6.7
1982	1,305	135	407	441	158	163	11.0	14.4	13.8	9.8	7.4	12.1

(¹) See note 2 on reference table 26.

Source: Statistics Canada, *The Labour Force*, and *Historical Labour Force Statistics*.

Reference Table 33
Unemployed Persons by Family Status, Canada
1961 – 1982⁽¹⁾

Year	Members of family units							Non-members of family units	Members of family units							Non-members of family units
	Total unemployed	Total	Heads of units	Single child	Other relatives ⁽³⁾	Spouses			Total unemployed	Total	Heads of units	Single child	Other relatives ⁽³⁾	Spouses		
D	767287	773576	773577	773579	773580	773578	773581									
(Thousands of persons, annual averages)									(Change)							
Former Labour Force Survey																
1961.....	497	454	230	168	56	n.a.	43									
1962.....	405	371	187	138	45	n.a.	35		-92	-83	-43	-30	-11	n.a.	-8	
1963.....	390	357	174	132	51	n.a.	34		-15	-14	-13	-6	6	n.a.	-1	
1964.....	348	319	148	123	47	n.a.	30		-42	-38	-26	-9	-4	n.a.	-4	
1965.....	298	273	127	105	41	n.a.	25		-50	-46	-21	-18	-6	n.a.	-5	
1966 ⁽²⁾	251	252	113	101	37	n.a.	23		n.a.	-21	-14	-4	-4	n.a.	-2	
1967.....	296	294	134	114	46	n.a.	27		45	42	21	13	9	n.a.	4	
1968.....	358	354	155	144	55	n.a.	36		62	60	21	30	9	n.a.	9	
1969.....	362	359	146	150	63	n.a.	32		4	5	-9	6	8	n.a.	-4	
1970.....	476	444	183	190	72	n.a.	47		114	85	37	40	9	n.a.	15	
1971.....	535	516	212	213	91	n.a.	56		59	72	29	23	19	n.a.	9	
1972.....	552	509	202	215	93	n.a.	61		17	-7	-10	2	2	n.a.	5	
1973.....	515	453	169	190	95	n.a.	67		-37	-56	-33	-25	3	n.a.	6	
1974.....	514	462	171	197	93	n.a.	64		-1	9	2	7	-2	n.a.	-3	
1975.....	690	624	241	252	131	n.a.	87		176	162	70	55	38	n.a.	23	
Revised Labour Force Survey																
1975.....	690	609	194	221	28	167	80		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
1976.....	727	640	190	240	33	177	87		37	31	-4	19	5	10	7	
1977.....	850	752	224	280	41	207	99		123	112	34	40	8	30	12	
1978.....	911	800	247	289	41	223	110		61	48	23	9	0	16	11	
1979.....	838	743	223	278	38	204	96		-73	-57	-24	-11	-3	-19	-14	
1980.....	867	763	237	287	39	200	103		29	20	14	9	-1	-4	7	
1981.....	898	789	242	294	40	213	109		31	26	4	7	1	13	6	
1982.....	1,305	1,146	405	399	61	281	158		407	357	163	105	21	68	49	

⁽¹⁾ These data have not been linked back over the years prior to 1975, when the former Labour Force Survey was in effect; as a result, both sets of data are presented here.

⁽²⁾ Only the total unemployed data for 1966 to 1975 are as revised by Statistics Canada; the other figures for that period therefore do not add exactly to the stated total.

⁽³⁾ Prior to 1975 this includes spouses.

Source: Statistics Canada, *The Labour Force*.

Reference Table 34

**Family Units with One or More Unemployed Persons by
the Number of Employed Persons in the Family Unit, Canada
1961 – 1982⁽¹⁾**

Year	Units with some unemployed	No persons in unit employed	One or more persons in unit employed			Three or more employed	Units with some unemployment	No persons in unit employed	One or more persons in unit employed			Three or more employed
			Total	One employed	Two employed ⁽²⁾				Total	One employed	Two employed ⁽²⁾	
(Thousands of family units, annual averages)							(Change)					
Former Labour Force Survey												
1961	394	177	217	132	57	28						
1962	331	148	183	112	46	25	-63	-29	-34	-20	-11	-3
1963	315	138	179	108	46	26	-16	-10	-4	0	0	1
1964	284	115	170	99	48	23	-31	-23	-9	-9	2	-3
1965	245	96	149	87	40	22	-39	-19	-21	-12	-8	-1
1966	229	87	142	83	39	19	-16	-9	-7	-4	-1	-3
1967	248	100	168	100	44	24	19	13	26	17	5	5
1968	319	119	200	119	54	28	71	19	32	19	10	4
1969	320	113	207	122	54	31	1	-6	7	3	0	3
1970	396	141	256	157	69	30	76	28	49	35	15	-1
1971	461	165	295	181	77	39	65	24	39	24	8	9
1972	456	159	297	186	76	36	-5	-6	2	5	-1	-3
1973	408	128	281	172	70	39	-48	-31	-16	-14	-6	3
1974	412	135	276	170	70	36	4	7	-5	-2	0	-3
1975	547	185	362	228	92	43	135	50	86	58	22	7
Revised Labour Force Survey												
1975	553	153	399	260	139	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1976	576	153	423	273	150	n.a.	23	0	24	13	11	n.a.
1977	669	176	493	318	175	n.a.	93	23	70	45	25	n.a.
1978	711	187	523	340	183	n.a.	42	11	30	22	8	n.a.
1979	663	172	492	320	172	n.a.	-48	-15	-31	-20	-11	n.a.
1980	682	178	504	321	183	n.a.	19	6	12	1	11	n.a.
1981	703	179	524	337	187	n.a.	21	1	20	16	4	n.a.
1982	996	282	714	468	246	n.a.	293	103	190	131	59	n.a.

(1) See note 1 on reference table 33.

(2) On revised Labour Force Survey this column reads "two or more employed".

Source: Statistics Canada, *The Labour Force*.

Reference Table 35
Help-Wanted Index, Canada and Regions
1962 – 1982
(1969 = 100)

Year	Canada	Atlantic region	Quebec	Ontario	Prairie region	British Columbia
D	730179	730180	730181	730182	730183	730184
1962	62	87	90	44	54	41
1963	65	84	88	51	60	40
1964	78	97	102	65	73	54
1965	97	137	118	86	86	70
1966	107	143	127	96	102	75
1967	93	121	109	79	104	66
1968	81	107	85	77	84	70
1969	100	100	100	100	100	100
1970	82	78	86	83	79	75
1971	86	87	93	80	88	83
1972	115	104	114	117	121	113
1973	148	137	140	149	156	166
1974	199	236	203	170	230	221
1975	163	211	200	115	196	152
1976	157	136	195	106	212	148
1977	152	151	189	104	197	146
1978	165	139	206	113	227	147
1979	189	135	176	156	309	190
1980	203	145	181	158	344	250
1981	224	133	158	181	401	350
1982	99	86	75	92	157	12.2
(Per cent change)						
1963	4.8	-3.4	-2.2	15.9	11.1	-2.4
1964	20.0	15.5	15.9	27.5	21.7	35.0
1965	24.4	41.2	15.7	32.3	17.8	29.6
1966	10.3	4.4	7.6	11.6	18.6	7.1
1967	-13.1	-15.4	-14.2	-17.7	2.0	-12.0
1968	-12.9	-11.6	-22.0	-2.5	-19.2	6.1
1969	23.5	-6.5	17.6	29.9	19.0	42.9
1970	-18.0	-22.0	-14.0	-17.0	-21.0	-25.0
1971	4.9	11.5	8.1	-3.6	11.4	10.7
1972	33.7	19.5	22.6	46.3	37.5	36.1
1973	28.7	31.7	22.8	27.4	28.9	46.9
1974	34.5	72.3	45.0	14.1	47.4	33.1
1975	-18.1	-10.6	-1.5	-32.4	-14.8	-31.2
1976	-3.7	-35.5	-2.5	-7.8	8.2	-2.6
1977	-2.5	11.0	-3.1	-1.9	-7.1	-1.4
1978	7.8	-7.9	9.0	8.7	15.2	0.7
1979	14.5	-2.9	-14.6	38.1	36.1	29.3
1980	7.4	7.4	2.8	1.3	11.3	31.6
1981	10.3	-8.3	-12.7	14.6	16.6	40.0
1982	-55.8	-35.3	-52.5	-49.2	-60.8	-65.1

Source: Statistics Canada, *Canadian Statistical Review*, cat. 11-003.

Reference Table 36
Index of Productivity and Costs:
Commercial Non-Agricultural Industries
1961 – 1981
(1971 = 100)

Year	Output	Persons employed	Total person-hours	Labour compensation	Output per person employed	Output per person-hour	Labour compensation per person employed	Labour compensation per unit of output
D	142855	240203	240263	240557	240323	240353	240587	240647
1961	56.5	75.1	79.7	43.1	75.2	70.9	57.3	76.2
1962	60.2	77.7	82.7	45.7	77.5	72.8	58.8	75.8
1963	63.4	79.9	84.6	48.4	79.4	74.9	60.6	76.4
1964	68.7	83.4	88.3	52.5	82.2	77.7	63.0	76.5
1965	74.1	88.1	92.9	58.4	84.1	79.8	66.3	78.8
1966	79.0	92.3	96.2	65.6	85.6	82.1	71.1	83.0
1967	82.2	93.9	97.4	71.7	87.5	84.4	76.3	87.2
1968	86.8	94.3	96.8	76.5	92.1	89.7	81.1	88.1
1969	92.3	97.7	99.4	85.0	94.4	92.9	86.9	92.1
1970	94.3	98.1	98.9	91.3	96.1	95.4	93.0	96.8
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	107.4	104.1	103.7	111.5	103.1	103.5	107.1	103.8
1973	116.8	110.0	109.5	129.6	106.2	106.7	117.8	111.0
1974	123.0	115.8	114.5	154.8	106.2	107.5	133.7	125.8
1975	123.0	117.0	114.6	178.4	105.1	107.3	152.5	145.1
1976	129.7	119.1	116.1	204.3	109.0	111.7	171.6	157.5
1977	133.8	122.1	117.5	223.5	109.6	113.9	183.1	167.1
1978	139.0	125.6	121.5	242.7	110.6	114.4	193.2	174.6
1979	145.6	131.2	126.2	273.2	111.0	115.4	208.3	187.6
1980	145.8	133.9	128.6	305.2	108.9	113.4	227.9	209.3
1981	149.3	138.8	132.4	345.6	107.5	112.8	248.9	231.4
(Per cent change)								
1962	6.5	3.5	3.8	6.0	3.1	2.7	2.6	-0.5
1963	5.3	2.8	2.3	5.9	2.5	2.9	3.1	0.8
1964	8.2	4.4	4.4	8.5	3.5	3.7	4.0	0.1
1965	8.0	5.6	5.2	11.2	2.3	2.7	5.2	3.0
1966	6.6	4.8	3.6	12.3	1.8	2.9	7.2	5.4
1967	4.1	1.7	1.2	9.1	2.2	2.8	7.3	5.1
1968	5.6	0.4	-0.6	6.8	5.3	6.3	6.3	1.1
1969	6.3	3.6	2.7	11.1	2.5	3.6	7.2	4.5
1970	2.2	0.4	-0.5	7.4	1.8	2.7	7.0	5.1
1971	6.0	1.9	1.1	9.5	4.1	4.8	7.5	3.3
1972	7.4	4.1	3.7	11.5	3.1	3.5	7.1	3.8
1973	8.8	5.7	5.6	16.2	3.0	3.1	10.0	6.9
1974	5.3	5.3	4.6	19.4	0.0	0.7	13.5	13.3
1975	0.0	1.0	0.2	15.2	-1.0	-0.2	14.1	15.3
1976	5.4	1.8	1.3	14.5	3.7	4.1	12.5	8.6
1977	3.2	2.5	1.2	9.4	0.6	2.0	6.7	6.1
1978	3.9	2.9	3.4	8.6	0.9	0.4	5.5	4.5
1979	4.7	4.5	3.9	12.6	0.4	0.9	7.8	7.4
1980	0.1	2.1	1.9	11.7	-1.9	-1.7	9.4	11.6
1981	2.4	3.7	3.0	13.2	-1.3	-0.5	9.2	10.6

Source: Statistics Canada, *Aggregate Productivity Measures*, annual, cat. 14-201. Data for Output prior to 1971 is based on Statistics Canada, *Index of Real Domestic Product by Industry*, annual, cat. 61-005.

Reference Table 37
Index of Productivity and Costs:
Commercial Non-Agricultural Goods-Producing Industries
1961 – 1981
(1971 = 100)

Year	Output	Persons employed	Total person-hours	Labour compensation	Output per person employed	Output per person-hour	Labour compensation per person employed	Labour compensation per unit of output
D		240204	240264	240558	240324	240354	240588	240648
1961	55.6	82.7	84.7	44.7	67.2	65.6	54.0	80.4
1962	60.0	85.3	88.3	47.6	70.4	67.9	55.9	79.4
1963	63.3	87.2	90.1	50.3	72.6	70.3	57.7	79.5
1964	69.1	91.3	94.7	54.9	75.7	73.0	60.2	79.5
1965	75.2	96.3	100.0	61.5	78.1	75.2	63.9	81.7
1966	80.8	100.7	104.1	69.5	80.2	77.6	69.1	86.1
1967	83.2	100.3	102.7	74.6	83.0	81.0	74.4	89.7
1968	88.2	99.7	101.8	79.0	88.5	86.6	79.3	89.5
1969	93.7	101.4	102.6	86.6	92.4	91.3	85.4	92.4
1970	94.7	99.3	100.2	91.5	95.4	94.5	92.2	96.6
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	106.7	102.5	102.6	109.8	104.0	104.0	107.1	103.0
1973	116.4	108.0	107.9	129.2	107.8	107.9	119.6	110.9
1974	120.1	111.0	110.3	154.0	108.2	108.8	138.7	128.2
1975	115.1	109.2	107.5	174.2	105.4	107.0	159.5	151.4
1976	121.2	110.5	108.7	198.4	109.7	111.5	179.5	163.6
1977	123.4	110.0	107.6	216.5	112.2	114.7	196.8	175.4
1978	126.6	111.3	109.3	231.6	113.7	115.8	208.1	183.0
1979	132.3	116.3	113.8	259.8	113.7	116.2	223.4	196.4
1980	129.6	116.4	113.9	285.1	111.4	113.8	245.0	219.9
1981	132.0	119.0	116.0	322.7	110.9	113.8	271.2	244.4
(Per cent change)								
1962	7.9	3.1	4.3	6.5	4.8	3.3	3.5	-1.2
1963	5.5	2.2	2.0	5.7	3.1	3.5	3.2	0.1
1964	9.2	4.7	5.1	9.1	4.3	3.8	4.3	0.0
1965	8.8	5.5	5.6	12.0	3.2	3.0	6.1	2.8
1966	7.4	4.6	4.1	13.0	2.7	3.2	8.1	5.4
1967	3.0	-0.4	-1.3	7.3	3.5	4.4	7.7	4.2
1968	6.0	-0.6	-0.9	5.9	6.6	6.9	6.6	-0.2
1969	6.2	1.7	0.8	9.6	4.4	5.4	7.7	3.2
1970	1.1	-2.1	-2.3	5.7	3.2	3.5	8.0	4.5
1971	5.6	0.7	-0.2	9.3	4.8	5.8	8.5	3.5
1972	6.7	2.5	2.6	9.8	4.0	4.0	7.1	3.0
1973	9.1	5.4	5.2	17.7	3.7	3.7	11.7	7.7
1974	3.2	2.8	2.2	19.2	0.4	0.8	16.0	15.6
1975	-4.2	-1.6	-2.5	13.1	-2.6	-1.7	15.0	18.1
1976	5.3	1.2	1.1	13.9	4.1	4.2	12.5	8.1
1977	1.8	-0.5	-1.0	9.1	2.3	2.9	9.6	7.2
1978	2.6	1.2	1.6	7.0	1.3	1.0	5.7	4.3
1979	4.5	4.5	4.1	12.2	0.0	0.3	7.4	7.3
1980	-2.0	0.1	0.1	9.7	-2.0	-2.1	9.7	12.0
1981	1.9	2.2	1.8	13.2	-0.4	0.0	10.7	11.1

Source: Statistics Canada, *Aggregate Productivity Measures*.

Reference Table 38
Index of Productivity and Costs:
Commercial Services-Producing Industries
1961 – 1981
(1971 = 100)

Year	Output	Persons employed	Total person-hours	Labour compensation	Output per person employed	Output per person-hour	Labour compensation per person employed	Labour compensation per unit of output
D		240202	240262	240556	240322	240352	240586	240646
1961	57.5	69.2	75.7	41.5	83.1	76.0	59.9	72.2
1962	60.5	71.7	78.2	43.7	84.3	77.3	61.0	72.3
1963	63.5	74.2	80.3	46.6	85.6	79.1	62.8	73.4
1964	68.2	77.3	83.2	50.2	88.2	82.0	64.9	73.6
1965	73.1	81.8	87.3	55.4	89.4	83.7	67.8	75.8
1966	77.3	85.8	90.0	61.8	90.0	85.9	72.0	79.9
1967	81.4	89.0	93.2	68.7	91.4	87.3	77.2	84.4
1968	85.5	90.1	92.8	74.0	94.9	92.1	82.2	86.6
1969	91.0	94.9	96.8	83.4	95.9	94.0	87.8	91.6
1970	94.0	97.2	97.8	91.0	96.7	96.1	93.7	96.8
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	108.0	105.3	104.7	113.1	102.5	103.2	107.3	104.7
1973	117.1	111.6	110.8	130.0	105.0	105.7	116.5	111.0
1974	125.7	119.5	117.7	155.7	105.2	106.8	130.2	123.9
1975	130.1	123.1	120.3	182.5	105.7	108.2	148.3	140.3
1976	137.3	125.7	122.0	210.0	109.2	112.6	167.1	153.0
1977	143.1	131.5	125.4	230.4	108.7	114.1	175.1	161.1
1978	150.1	136.8	131.4	253.5	109.7	114.2	185.3	168.9
1979	157.5	142.8	136.1	286.4	110.3	115.8	200.6	181.8
1980	160.3	147.6	140.5	325.0	108.6	114.1	220.2	202.8
1981	164.8	154.3	145.6	368.0	106.8	113.2	238.5	223.3
(Per cent change)								
1962	5.2	3.6	3.3	5.3	1.4	1.7	1.8	0.1
1963	5.0	3.5	2.7	6.6	1.5	2.3	3.0	1.4
1964	7.4	4.2	3.6	7.7	3.0	3.7	3.3	0.4
1965	7.2	5.8	4.9	10.4	1.4	2.1	4.5	3.0
1966	5.7	4.9	3.1	11.6	0.7	2.6	6.2	5.4
1967	5.3	3.7	3.6	11.2	1.6	1.6	7.2	5.6
1968	5.0	1.2	-0.4	7.7	3.8	5.5	6.5	2.6
1969	6.4	5.3	4.3	12.7	1.1	2.1	6.8	5.8
1970	3.3	2.4	1.0	9.1	0.8	2.2	6.7	5.7
1971	6.4	2.9	2.2	9.9	3.4	4.1	6.7	3.3
1972	8.0	5.3	4.7	13.1	2.5	3.2	7.3	4.7
1973	8.4	6.0	5.8	14.9	2.4	2.4	8.6	6.0
1974	7.3	7.1	6.2	19.8	0.2	1.0	11.8	11.6
1975	3.5	2.9	2.2	17.2	0.5	1.3	13.9	13.2
1976	5.5	2.1	1.4	15.1	3.3	4.1	12.7	9.1
1977	4.2	4.6	2.8	9.7	-0.5	1.3	4.8	5.3
1978	4.9	4.0	4.8	10.0	0.9	0.1	5.8	4.8
1979	4.9	4.4	3.6	13.0	0.5	1.4	8.3	7.6
1980	1.8	3.4	3.2	13.5	-1.5	-1.5	9.8	11.6
1981	2.8	4.5	3.6	13.2	-1.7	-0.8	8.3	10.1

Source: Statistics Canada, *Aggregate Productivity Measures*.

Reference Table 39
Index of Productivity and Costs:
Manufacturing Industries
1961 – 1981
(1971 = 100)

Year	Output	Persons employed	Total person-hours	Labour compensation	Output per person employed	Output per person-hour	Labour compensation per person employed	Labour compensation per unit of output
D		240186	240246	240546	240306	240336	240576	240636
1961	54.4	83.6	84.4	46.9	65.1	64.4	56.1	86.1
1962	59.4	85.8	87.6	50.1	69.2	67.8	58.3	84.3
1963	63.4	88.0	90.1	53.3	72.1	70.4	60.6	84.1
1964	69.5	92.0	94.6	58.1	75.6	73.5	63.2	83.6
1965	75.8	96.7	99.4	64.1	78.4	76.2	66.3	84.6
1966	81.5	101.3	103.4	71.9	80.5	78.9	71.0	88.2
1967	83.9	101.7	103.1	77.2	82.5	81.4	75.9	92.0
1968	89.1	101.0	102.5	82.4	88.3	86.9	81.6	92.4
1969	95.8	102.9	104.1	89.9	93.1	92.0	87.3	93.8
1970	94.5	100.6	101.2	94.0	94.0	93.4	93.5	99.5
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	107.7	103.1	103.2	110.6	104.5	104.4	107.2	102.6
1973	119.1	107.8	107.2	126.7	110.4	111.0	117.5	106.4
1974	123.4	110.0	108.7	148.7	112.2	113.5	135.2	120.5
1975	116.2	107.5	105.1	164.0	108.0	110.6	152.6	141.2
1976	123.1	108.0	105.6	188.4	114.0	116.5	174.5	153.1
1977	125.5	105.8	103.6	205.0	118.6	121.2	193.7	163.3
1978	131.9	109.2	107.1	226.2	120.8	123.1	207.2	171.5
1979	138.1	113.2	110.2	256.4	122.0	125.2	226.5	185.7
1980	133.7	113.5	110.4	280.1	117.8	121.1	246.8	209.5
1981	135.9	115.6	111.8	315.2	117.5	121.5	272.7	232.0
(Per cent change)								
1962	9.2	2.6	3.8	6.8	6.3	5.3	3.9	-2.1
1963	6.7	2.6	2.9	6.4	4.2	3.8	3.9	-0.2
1964	9.6	4.5	5.0	9.0	4.9	4.4	4.3	-0.6
1965	9.1	5.1	5.1	10.3	3.7	3.7	4.9	1.2
1966	7.5	4.8	4.0	12.2	2.7	3.5	7.1	4.3
1967	2.9	0.4	-0.3	7.4	2.5	3.2	6.9	4.3
1968	6.2	-0.7	-0.6	6.7	7.0	6.8	7.5	0.4
1969	7.5	1.9	1.6	9.1	5.4	5.9	7.0	1.5
1970	-1.4	-2.2	-2.8	4.6	1.0	1.5	7.1	6.1
1971	5.8	-0.6	-1.2	6.4	6.4	7.1	6.9	0.5
1972	7.7	3.1	3.2	10.6	4.5	4.4	7.2	2.6
1973	10.6	4.6	3.9	14.6	5.6	6.3	9.6	3.7
1974	3.6	2.0	1.4	17.4	1.6	2.3	15.1	13.3
1975	-5.8	-2.3	-3.3	10.3	-3.7	-2.6	12.9	17.2
1976	5.9	0.5	0.5	14.9	5.6	5.3	14.4	8.4
1977	1.9	-2.0	-1.9	8.8	4.0	4.0	11.0	6.7
1978	5.1	3.2	3.4	10.3	1.9	1.6	7.0	5.0
1979	4.7	3.7	2.9	13.4	1.0	1.7	9.3	8.3
1980	-3.2	0.3	0.2	9.2	-3.4	-3.3	9.0	12.8
1981	1.6	1.9	1.3	12.5	-0.3	0.3	10.5	10.7

Source: Statistics Canada, *Aggregate Productivity Measures*.

Reference Table 40
Average Weekly Wages and Salaries by Industrial Division
1961 – 1982

Year	Primary ⁽¹⁾ indus- tries	Manu- factur- ing	Con- struc- tion	Transpor- tation, communi- cation and other utilities	Trade ⁽²⁾	Finance, insurance and real estate	Service	Indus- trial com- posite
D		1442	1445	1446		1449	1450	1439
(Dollars)								
1961	92.85	81.54	86.93	82.48	66.24	72.81	57.84	78.24
1962	95.82	83.99	89.36	86.44	68.09	75.34	59.27	80.54
1963	99.44	86.89	93.59	90.10	70.36	77.62	60.39	83.28
1964	103.47	90.41	98.48	93.68	72.82	81.85	62.38	86.50
1965	108.94	94.78	106.68	99.09	75.45	88.29	65.76	91.01
1966	116.89	100.13	119.56	103.65	78.87	93.00	70.18	96.30
1967	126.62	106.53	130.47	113.13	83.51	99.00	75.35	102.79
1968	136.58	114.40	137.25	122.66	89.58	106.17	79.35	109.92
1969	146.13	122.94	149.85	132.54	96.86	113.81	84.17	117.83
1970	159.98	132.84	166.40	142.26	103.81	120.52	90.64	126.78
1971	173.11	143.99	188.27	154.14	112.33	129.59	98.56	137.64
1972	187.16	156.10	209.93	168.03	122.44	140.79	107.32	149.22
1973	208.83	167.48	225.45	181.89	131.55	154.44	114.53	160.45
1974	235.49	185.62	250.30	204.39	145.36	172.25	126.11	178.08
1975	274.88	213.43	290.95	233.98	165.34	193.12	143.68	203.34
1976	311.77	241.19	331.02	262.02	183.67	213.71	160.49	228.03
1977	341.76	266.04	369.93	291.15	199.20	229.57	171.28	249.95
1978	367.41	285.68	389.67	313.28	211.21	248.43	180.00	265.35
1979	408.86	311.19	422.90	341.45	229.34	272.10	193.27	288.32
1980	457.13	342.19	461.59	381.17	250.83	304.37	211.17	317.39
1981	519.68	382.89	521.31	427.47	276.51	353.71	234.86	354.72
1982	586.12	424.16	559.13	481.61	n.a.	389.57	260.58	390.60
(Per cent change)								
1962	3.2	3.0	2.8	4.8	2.8	3.5	2.5	2.9
1963	3.8	3.5	4.7	4.2	3.3	3.0	1.9	3.4
1964	4.1	4.0	5.2	4.0	3.5	5.5	3.3	3.9
1965	5.3	4.8	8.3	5.8	3.6	7.9	5.4	5.2
1966	7.3	5.6	12.1	4.6	4.5	5.3	6.7	5.8
1967	8.3	6.4	9.1	9.1	5.9	6.4	7.4	6.7
1968	7.9	7.4	5.2	8.4	7.3	7.2	5.3	6.9
1969	7.0	7.5	9.2	8.1	8.1	7.2	6.1	7.2
1970	9.5	8.1	11.0	7.3	7.2	5.9	7.7	7.6
1971	8.2	8.4	13.1	8.4	8.2	7.5	8.7	8.6
1972	8.1	8.4	11.5	9.0	9.0	8.6	8.9	8.4
1973	11.6	7.3	7.4	8.3	7.5	9.7	6.7	7.5
1974	12.8	10.8	11.0	12.4	10.5	11.5	10.1	11.0
1975	16.7	15.0	16.2	14.5	13.7	12.1	13.9	14.2
1976	13.4	13.0	13.8	12.0	11.1	10.7	11.7	12.1
1977	9.6	10.3	11.7	11.1	8.5	7.4	6.7	9.6
1978	7.5	7.4	5.3	7.6	6.0	8.2	5.1	6.2
1979	11.3	8.9	8.5	9.0	8.6	9.5	7.4	8.7
1980	11.8	10.0	9.2	11.6	9.4	11.9	9.3	10.1
1981	13.7	11.9	12.9	12.1	10.2	16.2	11.2	11.8
1982	12.8	10.8	7.3	12.7	n.a.	10.1	11.0	10.1

(1) Forestry and mining (including milling). Estimated by the Department of Finance.

(2) Estimated by the Department of Finance.

Source: Statistics Canada, *Employment, Earnings and Hours*.

Reference Table 41

Annual Average Wage Changes Provided by Major Collective Agreements (without COLA)⁽¹⁾ (Percentage changes on a life-of-contract basis)
1972 – 1982

Year	Total manu- facturing	Manu- facturing — durables	Manu- facturing — non- durables	Non- manu- facturing	Total commer- cial	Total non- commer- cial	All indus- tries
1972.....	9.6	9.6	9.5	8.5	9.6	7.8	8.8
1973.....	12.2	13.0	11.5	10.7	12.1	9.9	11.0
1974.....	16.1	17.5	15.5	14.6	15.2	14.4	14.7
1975.....	16.4	15.3	17.0	19.5	17.6	19.9	19.2
1976.....	10.5	9.8	10.2	11.0	10.6	11.1	10.9
1977.....	7.8	7.7	8.0	7.9	7.9	7.9	7.9
1978.....	7.9	8.1	7.8	7.1	7.6	6.7	7.2
1979.....	9.9	10.4	9.2	8.5	9.5	8.3	8.7
1980.....	12.1	11.5	12.3	11.0	11.5	10.9	11.1
1981.....	12.6	11.8	12.3	13.3	13.8	13.1	13.3
1982.....	10.8	9.1	11.1	9.9	9.6	10.1	10.0

⁽¹⁾ Agreements covering 500 or more employees (excluding construction). Percentage increases refer to base wage rates, the lowest paid classification used for qualified workers in the bargaining unit.

Source: Labour Canada, *Wage Developments Resulting from Major Collective Bargaining Settlements*, annual and quarterly.

Reference Table 42

Gross National Expenditure Implicit Price Indexes⁽¹⁾**1947 – 1982****(1971 = 100)**

Year	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Exports of goods and services	Imports of goods and services	Terms of Trade	Gross national expenditure
			Total	Government	Business	Housing				
D	40626	40631	40632	40633		40637	40640	40642		40625
1947.....	50.5	28.3	44.2	48.2	44.1	42.1	59.3	56.2	105.5	45.7
1948.....	57.3	32.3	50.1	54.4	49.6	49.1	63.6	62.8	101.3	51.3
1949.....	59.4	34.6	52.5	56.6	52.2	51.2	66.8	64.9	102.9	53.5
1950.....	61.2	35.9	54.8	58.9	54.5	53.5	69.8	69.4	100.7	54.8
1951.....	67.4	40.0	62.6	69.9	61.4	62.2	77.6	76.7	101.2	61.0
1952.....	69.0	42.0	64.6	71.5	63.6	63.1	76.7	71.3	107.4	63.7
1953.....	68.8	43.0	64.7	67.3	64.5	63.7	74.9	71.2	105.1	63.6
1954.....	69.5	44.7	64.5	67.4	64.4	63.1	74.3	71.4	104.0	64.6
1955.....	69.5	46.2	66.4	72.5	65.9	64.3	77.3	72.6	106.4	65.0
1956.....	70.6	49.4	69.9	80.3	69.6	65.3	79.4	75.0	105.8	67.4
1957.....	72.8	51.9	70.9	75.8	70.9	67.2	79.0	76.9	102.7	68.8
1958.....	74.7	53.5	70.4	71.9	71.5	67.0	78.7	78.0	100.8	69.8
1959.....	75.6	55.3	70.9	72.2	72.4	66.9	79.8	77.5	103.0	71.2
1960.....	76.3	57.3	71.9	72.8	73.0	68.2	80.3	78.2	102.8	72.1
1961.....	76.8	59.1	71.4	70.4	72.7	68.8	81.3	80.3	101.2	72.4
1962.....	77.8	60.6	72.4	71.4	74.1	68.6	84.5	84.0	100.6	73.4
1963.....	79.0	63.1	74.4	74.0	76.1	70.1	85.3	85.9	99.3	74.8
1964.....	80.0	65.2	77.0	76.3	78.8	73.0	87.1	86.6	100.5	76.6
1965.....	81.6	68.2	81.1	81.3	82.3	77.2	88.7	87.3	101.6	79.1
1966.....	84.3	72.8	85.3	85.9	85.9	82.2	91.1	89.2	102.2	82.6
1967.....	87.2	77.8	87.1	86.8	87.2	87.0	93.0	90.7	102.6	85.9
1968.....	90.8	82.2	87.7	87.0	87.8	87.9	94.3	93.0	101.4	88.7
1969.....	94.3	89.0	91.4	91.2	91.2	92.1	96.4	95.6	100.8	92.6
1970.....	97.7	94.2	95.3	95.3	95.6	94.1	99.7	98.2	101.6	96.9
1971.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972.....	104.0	107.2	105.0	105.2	104.0	107.1	103.9	103.1	100.8	105.0
1973.....	111.6	116.4	114.0	114.8	110.2	123.8	117.4	111.2	105.6	114.6
1974.....	124.2	135.1	133.4	138.0	126.7	148.4	152.2	134.1	113.5	132.1
1975.....	137.3	156.0	150.2	153.2	143.8	167.3	168.6	153.6	109.8	146.3
1976.....	147.4	176.7	163.9	163.7	154.7	187.7	173.9	155.4	111.9	160.2
1977.....	158.3	193.7	177.4	176.0	166.6	208.2	187.4	174.3	107.4	171.5
1978.....	169.9	209.7	192.3	189.5	182.1	223.8	203.2	197.3	103.0	182.6
1979.....	185.5	227.3	209.5	207.9	200.5	240.8	242.1	224.6	107.8	201.4
1980.....	205.3	257.0	229.3	230.5	222.6	253.8	280.2	258.3	108.4	223.7
1981.....	228.7	290.3	254.3	259.4	247.4	277.6	301.7	287.0	105.1	246.3
1982.....	252.8	327.3	273.7	283.3	268.9	285.9	309.1	298.6	103.5	272.6

Reference Table 42 (continued)

Gross National Expenditure Implicit Price Indexes⁽¹⁾
1947 – 1982

Year	Personal expenditure on consumer goods and services	Government current expenditure on goods and services	Gross fixed capital formation				Exports of goods and services	Imports of goods and services	Terms of Trade	Gross national expenditure
			Total	Government	Business	Housing				
(Per cent change)										
1948.....	13.5	13.8	13.3	12.5	12.4	16.3	7.2	11.6	-4.0	12.3
1949.....	3.6	7.1	4.8	4.2	5.1	4.5	5.0	3.3	1.6	4.3
1950.....	3.1	3.9	4.5	4.2	4.4	4.6	4.6	7.0	-2.2	2.3
1951.....	10.2	11.5	14.3	18.7	12.7	16.2	11.1	10.6	0.5	11.5
1952.....	2.3	4.8	3.2	2.2	3.7	1.4	-1.1	-6.8	6.2	4.3
1953.....	-0.2	2.5	0.2	-5.8	1.4	0.9	-2.4	-0.1	-2.1	-0.1
1954.....	0.9	4.0	-0.3	0.1	-0.2	-0.8	-0.8	0.3	-1.1	1.6
1955.....	0.0	3.3	2.9	7.6	2.4	1.9	4.0	1.7	2.3	0.6
1956.....	1.6	7.0	5.3	10.8	5.5	1.6	2.7	3.3	-0.6	3.6
1957.....	3.1	5.1	1.4	-5.6	1.9	2.8	-0.5	2.5	-2.9	2.1
1958.....	2.6	3.0	-0.7	-5.1	0.9	-0.3	-0.4	1.4	-1.8	1.4
1959.....	1.1	3.4	0.8	0.3	1.3	-0.1	1.5	-0.6	2.1	2.1
1960.....	0.9	3.6	1.3	0.9	0.7	2.0	0.6	0.9	-0.2	1.2
1961.....	0.7	3.2	-0.6	-3.3	-0.2	0.8	1.2	2.7	-1.5	0.5
1962.....	1.3	2.4	1.3	1.5	1.9	-0.3	3.9	4.6	-0.6	1.4
1963.....	1.5	4.1	2.8	3.6	2.7	2.3	0.9	2.3	-1.3	1.9
1964.....	1.3	3.5	3.5	3.1	3.5	4.1	2.1	0.8	1.2	2.5
1965.....	1.9	4.5	5.2	6.5	4.5	5.8	1.8	0.7	1.1	3.2
1966.....	3.3	6.7	5.2	5.7	4.3	6.7	2.7	2.2	0.5	4.4
1967.....	3.4	6.8	2.2	1.0	1.6	5.6	2.0	1.7	0.4	3.9
1968.....	4.2	5.7	0.7	0.2	0.7	1.0	1.4	2.6	-1.1	3.3
1969.....	3.9	8.3	4.2	4.9	3.8	4.8	2.2	2.8	-0.6	4.4
1970.....	3.6	5.8	4.2	4.5	4.8	2.2	3.5	2.7	0.8	4.7
1971.....	2.4	6.2	4.9	4.9	4.6	6.1	0.3	1.8	-1.5	3.2
1972.....	4.0	7.2	5.0	5.2	4.0	7.3	3.9	3.1	0.7	5.0
1973.....	7.3	8.6	8.6	9.1	5.9	15.4	13.0	7.9	4.8	9.2
1974.....	11.3	16.1	17.0	20.3	15.0	20.0	29.6	20.7	7.4	15.3
1975.....	10.6	15.4	12.5	11.2	13.5	12.7	10.8	14.4	-3.4	10.8
1976.....	7.4	13.3	9.1	6.9	7.6	12.2	3.1	1.2	2.0	9.5
1977.....	7.4	9.6	8.2	7.5	7.7	10.9	7.8	12.2	-4.0	7.1
1978.....	7.3	8.3	8.4	7.7	9.3	7.5	8.5	13.1	-4.1	6.5
1979.....	9.2	8.4	8.9	9.7	10.2	7.6	19.1	13.8	4.6	10.3
1980.....	10.7	13.1	9.4	10.8	11.0	5.4	15.7	15.0	0.6	11.0
1981.....	11.4	13.0	10.9	12.5	11.1	9.4	7.7	11.1	-3.1	10.1
1982.....	10.5	12.7	7.6	9.2	8.7	3.0	2.5	4.0	-1.5	10.7

⁽¹⁾ These implicit price indexes are currently weighted price indexes. They reflect not only pure price change, but also changing expenditure patterns within and between major groups. The implicit price index for gross national expenditure is derived by dividing the total of current dollars by the total of constant dollars.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 43
Consumer Price Indexes: Standard Classifications
1961 – 1982
(1971 = 100)

Year	All items	Food	Housing	Clothing	Transportation	Health and personal care	Recreation and reading	Tobacco and alcohol
D	451000	451001	451132	451226	451321	451350	451381	451424
1961	74.9	76.1	73.1	77.7	77.0	70.2	73.7	77.8
1962	75.8	77.5	73.9	78.4	76.9	71.6	74.4	78.7
1963	77.2	80.0	74.8	80.4	76.9	73.4	75.4	78.9
1964	78.6	81.3	76.0	82.4	77.7	75.9	76.6	80.4
1965	80.5	83.4	77.3	83.8	80.7	79.4	77.9	81.7
1966	83.5	88.7	79.4	87.0	82.6	81.8	80.1	83.7
1967	86.5	89.9	82.9	91.3	86.1	86.0	84.2	85.8
1968	90.0	92.8	86.7	94.1	88.3	89.5	88.3	93.6
1969	94.1	96.7	91.2	96.7	92.4	93.8	93.6	97.2
1970	97.2	98.9	95.7	98.5	96.1	98.0	96.8	98.4
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	104.8	107.6	104.7	102.6	102.6	104.8	102.8	102.7
1973	112.8	123.3	111.4	107.7	105.3	109.8	107.1	106.0
1974	125.0	143.4	121.2	118.0	115.8	119.4	116.5	111.8
1975	138.5	161.9	133.2	125.1	129.4	133.0	128.5	125.3
1976	148.9	166.2	148.0	132.0	143.3	144.3	136.2	134.3
1977	160.8	180.1	161.9	141.0	153.3	155.0	142.7	143.8
1978	175.1	208.0	174.1	146.4	162.2	166.2	148.2	155.5
1979	191.2	235.3	186.2	159.9	178.0	181.2	158.4	166.7
1980	210.6	260.6	201.4	178.7	200.7	199.3	173.5	185.3
1981	236.9	290.4	226.4	191.4	237.6	221.0	191.0	209.2
1982	262.5	311.4	254.7	202.0	271.1	244.4	207.5	241.6
(Per cent change)								
1961	0.9	1.5	0.5	1.5	0.3	0.5	1.2	0.5
1962	1.2	1.9	1.1	0.8	-0.2	2.0	0.9	1.2
1963	1.8	3.2	1.2	2.6	0.0	2.5	1.3	0.3
1964	1.8	1.6	1.6	2.5	1.0	3.4	1.7	1.9
1965	2.4	2.6	1.7	1.7	3.7	4.6	1.7	1.6
1966	3.7	6.4	2.7	3.8	2.4	3.0	2.8	2.4
1967	3.6	1.4	4.4	4.9	4.2	5.1	5.1	2.5
1968	4.0	3.2	4.6	3.1	2.6	4.1	4.9	9.1
1969	4.6	4.2	5.2	2.8	4.6	4.8	6.0	3.8
1970	3.3	2.3	4.9	1.9	4.0	4.5	3.4	1.2
1971	2.9	1.0	4.5	1.5	4.1	2.0	3.3	1.6
1972	4.8	7.6	4.6	2.6	2.7	4.8	2.8	2.7
1973	7.6	14.6	6.5	5.0	2.6	4.8	4.2	3.1
1974	10.9	16.3	8.7	9.6	9.9	8.7	8.8	5.5
1975	10.8	12.9	10.0	6.0	11.8	11.4	10.3	12.1
1976	7.5	2.7	11.1	5.6	10.8	8.5	6.0	7.1
1977	8.0	8.3	9.4	6.8	7.0	7.4	4.7	7.1
1978	8.9	15.5	7.5	3.9	5.8	7.2	3.9	8.1
1979	9.1	13.2	7.0	9.2	9.7	9.1	6.9	7.2
1980	10.2	10.7	8.2	11.7	12.8	9.9	9.5	11.2
1981	12.5	11.4	12.4	7.1	18.4	10.9	10.1	12.9
1982	10.8	7.2	12.5	5.6	14.1	10.6	8.7	15.5

Source: Statistics Canada, *The Consumer Price Index*, monthly, cat. 62-001.

Reference Table 44
Consumer Price Indexes: Reclassified by Goods and Services
1961 – 1982
(1971 = 100)

Year	Total consumer price index	Total excluding food	Total com- modities	Total com- modities excluding food	Non- durables	Non- durables excluding food	Durables	Total services ⁽¹⁾	Services excluding shelter
D	451000	451443	451435	451440	451438	451441	451436	451439	451442
1961	74.9	74.6	79.9	82.7	77.3	79.4	94.0	66.6	66.5
1962	75.8	75.3	80.7	83.0	78.4	80.1	93.1 ⁽¹⁾	67.8	67.7
1963	77.2	76.2	82.1	83.7	80.0	80.0	93.3	68.9	68.8
1964	78.6	77.6	83.1	84.5	81.2	81.1	92.4	70.9	70.9
1965	80.5	79.4	84.5	85.4	83.0	82.4	92.2	73.5	74.7
1966	83.5	81.7	87.8	87.3	87.0	84.5	92.2	76.1	77.6
1967	86.5	85.3	90.0	90.4	88.6	86.9	94.8	80.2	82.2
1968	90.0	89.0	93.4	93.7	92.4	91.5	96.3	84.4	85.8
1969	94.1	93.1	96.3	96.1	95.9	94.7	97.2	90.0	91.4
1970	97.2	96.7	98.2	97.9	98.1	97.0	98.4	95.3	96.0
1971	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972	104.8	103.7	104.6	102.3	105.8	102.9	101.2	105.2	104.7
1973	112.8	109.0	113.7	106.4	118.1	108.3	102.6	111.6	109.8
1974	125.0	118.6	128.1	116.7	135.3	120.4	110.4	120.5	119.4
1975	138.5	130.5	142.0	127.7	152.7	136.0	118.9	133.4	135.2
1976	148.9	142.8	149.0	136.1	160.0	147.6	125.3	149.6	153.1
1977	160.8	154.0	160.0	145.2	173.0	158.9	131.7	163.2	166.9
1978	175.1	163.9	176.2	153.8	194.4	170.5	139.4	174.3	178.0
1979	191.2	176.9	194.9	167.9	216.2	185.7	152.8	186.5	192.5
1980	210.6	194.6	217.2	187.5	242.6	210.4	169.4	201.8	211.0
1981	236.9	219.5	245.7	213.0	281.2	252.7	185.4	225.0	236.6
1982	262.5	245.5	268.8	235.0	314.0	294.8	195.7	254.1	268.6
(Per cent change)									
1962	1.2	1.0	0.9	0.3	1.5	0.8	-0.9	1.7	1.8
1963	1.8	1.2	1.7	0.8	2.0	-0.1	0.1	1.6	1.6
1964	1.8	1.8	1.2	1.0	1.5	1.4	-1.0	2.9	3.1
1965	2.4	2.3	1.7	1.1	2.2	1.6	-0.2	3.7	5.4
1966	3.7	2.9	3.9	2.2	4.8	2.5	0.0	3.5	3.9
1967	3.6	4.4	2.5	3.6	1.8	2.8	2.8	5.4	5.9
1968	4.0	4.3	3.8	3.7	4.3	5.3	1.6	5.2	4.5
1969	4.6	4.6	3.1	2.6	3.8	3.5	0.9	6.6	6.3
1970	3.3	3.9	2.0	1.9	2.3	2.4	1.2	5.9	5.1
1971	2.9	3.4	1.8	2.1	1.9	3.1	1.6	4.9	4.2
1972	4.8	3.7	4.5	2.3	5.9	2.9	1.2	5.1	4.7
1973	7.6	5.1	8.8	4.0	11.6	5.3	1.4	6.2	4.8
1974	10.9	8.8	12.6	9.7	14.5	11.2	7.6	8.0	8.8
1975	10.8	10.1	10.9	9.4	12.9	12.9	7.7	10.7	13.2
1976	7.5	9.4	4.9	6.6	4.8	8.6	5.4	12.2	13.2
1977	8.0	7.9	7.4	6.7	8.1	7.7	5.1	9.0	9.0
1978	8.9	6.4	10.2	6.0	12.4	7.2	5.8	6.8	6.7
1979	9.1	7.9	10.6	9.2	11.2	8.9	9.6	7.0	8.1
1980	10.2	10.0	11.5	11.6	12.2	13.3	10.9	8.2	9.6
1981	12.5	12.8	13.1	13.6	15.9	20.1	9.5	11.5	12.1
1982	10.8	11.8	9.4	10.7	11.6	16.6	5.6	12.9	13.5

⁽¹⁾ Includes new houses, property taxes, and mortgage interest, but excludes the commodity component of shelter repairs.

Source: Statistics Canada, *The Consumer Price Index*.

Reference Table 45
Energy Prices
1961 – 1982

Year	Consumer prices					Crude oil prices		Industrial electricity
	Gasoline	Natural gas	Electricity	Fuel oil	Total energy	Imported-CIF Montreal	Wellhead-Alberta	(> 5000 kwh)
	(Per cent change)					(Dollars per barrel)		(Per cent change)
1961.....	0.5	0.2	0.4	-3.8	—	2.10	—	—
1962.....	-0.2	0.7	-1.0	-1.9	—	2.32	2.61	—
1963.....	-1.3	0.0	0.2	-3.9	—	2.51	2.65	—
1964.....	4.4	0.0	-0.4	-4.9	—	2.47	2.65	—
1965.....	1.4	0.2	-1.6	0.0	—	2.47	2.65	—
1966.....	4.4	-0.4	0.1	-0.2	—	2.39	2.65	—
1967.....	2.4	0.1	7.3	1.8	—	2.64	2.65	—
1968.....	3.6	1.6	5.0	4.2	—	2.99	2.65	—
1969.....	2.5	-0.2	2.4	2.3	—	2.61	2.65	—
1970.....	2.3	-1.2	8.6	2.1	—	2.43	2.66	—
1971.....	3.5	1.5	3.4	9.6	—	2.95	2.85	—
1972.....	0.8	0.6	2.7	6.1	2.8	2.86	2.86	1.0
1973.....	6.8	1.6	8.1	15.7	9.0	3.95	3.48	6.0
1974.....	16.6	10.1	3.8	29.3	15.2	11.29	5.83	11.3
1975.....	13.2	20.8	11.6	13.5	13.5	12.59	7.25	10.5
1976.....	12.4	29.0	16.0	16.1	15.4	12.88	8.53	16.7
1977.....	8.6	13.1	17.0	15.5	12.2	15.16	10.25	31.3
1978.....	5.6	18.8	8.1	14.0	9.3	16.28	12.25	11.1
1979.....	10.2	5.5	8.7	12.4	9.8	22.66	13.25	10.3
1980.....	19.0	11.8	9.3	20.2	16.0	36.96	15.58	12.9
1981.....	36.0	27.4	8.8	43.4	30.1	42.99	18.88	9.9
1982.....	21.4	24.3	11.4	22.2	19.8	41.35	24.63	14.1

Source: Consumer prices are from Statistics Canada, *The Consumer Price Index*, cat. 62-001. Data for total energy are not published for the period prior to 1972.

Reference Table 46
Other Price Indexes
1961 – 1982
(1971 = 100)

Year	World commodity prices ⁽¹⁾		Industry selling price index			Building materials		Merchandise export prices	Merchandise import prices	Terms of trade ⁽²⁾
	Total	Food	Total	Food	Non-food	Residential	Non-residential			
D			500000	500001	634401	610002	476602	40641	40643	
1961.....	79.0	65.1	82.4	78.2	83.7	69.3	74.6	85.1	84.0	101.4
1962.....	77.2	63.1	83.3	79.8	84.4	69.7	74.0	88.8	87.9	101.1
1963.....	87.6	77.8	84.4	82.6	85.0	72.1	75.9	89.2	90.0	99.1
1964.....	94.8	84.7	85.1	83.1	85.8	75.8	79.6	91.0	90.5	100.6
1965.....	95.7	83.7	86.2	83.9	87.0	80.2	83.2	92.1	90.2	102.2
1966.....	100.5	85.1	88.7	88.4	88.8	83.9	86.1	94.3	91.9	102.6
1967.....	95.1	84.7	90.4	89.1	90.9	86.8	87.9	95.1	92.7	102.6
1968.....	93.6	83.4	92.3	90.3	93.0	91.5	90.1	96.2	94.8	101.5
1969.....	101.7	89.8	95.8	94.9	96.1	96.4	94.1	97.7	97.0	100.8
1970.....	107.2	101.8	98.1	97.2	98.3	95.3	96.7	100.6	98.6	102.0
1971.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.1
1972.....	129.4	134.8	104.4	108.6	103.4	109.8	104.9	103.3	102.3	101.0
1973.....	210.8	211.4	116.1	131.3	112.3	124.0	113.1	118.2	110.0	107.5
1974.....	259.1	283.2	138.1	155.0	133.8	135.2	137.3	157.2	135.5	116.0
1975.....	224.9	255.1	153.7	170.9	149.3	139.7	147.0	173.2	156.6	110.6
1976.....	263.3	296.3	161.5	173.7	158.3	153.6	156.6	176.6	157.9	111.8
1977.....	319.7	389.2	174.3	185.9	171.3	165.2	165.6	189.2	177.1	106.8
1978.....	336.1	405.0	190.4	205.6	186.4	184.0	179.4	205.8	200.8	102.5
1979.....	409.8	479.9	217.9	231.7	214.1	207.0	208.7	249.4	229.5	108.7
1980.....	482.7	592.2	247.2	256.6	244.3	215.2	230.2	290.9	267.9	108.6
1981.....	427.2	519.2	272.4	279.4	270.1	236.4	253.4	310.0	296.7	104.4
1982.....	356.1	427.3	288.7	294.4	287.3	243.7	275.4	311.6	302.1	103.1
(Per cent change)										
1961.....	-2.8	-2.3	0.3	2.2	—	-0.7	-0.9	0.7	3.0	-2.3
1962.....	-2.3	-3.0	1.1	2.0	0.8	0.6	-0.9	4.3	4.6	-0.3
1963.....	13.4	23.3	1.4	3.5	0.7	3.4	2.7	0.5	2.4	-1.9
1964.....	8.2	8.9	0.8	0.6	0.9	5.1	4.8	2.0	0.5	1.5
1965.....	1.0	-1.2	1.3	1.0	1.4	5.8	4.5	1.3	-0.3	1.6
1966.....	5.0	1.7	2.9	5.4	2.1	4.6	3.5	2.4	1.9	0.4
1967.....	-5.4	-0.5	2.0	0.8	2.4	3.5	2.1	0.8	0.9	0.0
1968.....	-1.6	-1.5	2.1	1.4	2.3	5.4	2.5	1.2	2.3	-1.1
1969.....	8.6	7.7	3.8	5.1	3.3	5.4	4.5	1.5	2.2	-0.7
1970.....	5.4	13.3	2.4	2.4	2.3	-1.1	2.7	2.9	1.7	1.2
1971.....	-6.7	-1.8	1.9	2.9	1.7	4.9	3.4	-0.6	1.4	-1.9
1972.....	29.3	34.8	4.4	8.7	3.4	9.8	4.9	3.3	2.4	0.9
1973.....	63.0	56.8	11.2	20.9	8.5	12.9	7.8	14.3	7.5	6.4
1974.....	22.9	34.0	19.0	18.0	19.2	9.0	21.4	33.1	23.2	8.0
1975.....	-13.2	-9.9	11.3	10.2	11.6	3.4	7.1	10.2	15.6	-4.7
1976.....	17.1	16.2	5.1	1.6	6.1	9.9	6.5	1.9	0.8	1.1
1977.....	21.4	31.3	7.9	7.0	8.2	7.5	5.7	7.1	12.2	-4.5
1978.....	5.1	4.1	9.2	10.6	8.8	11.4	8.4	8.8	13.4	-4.1
1979.....	21.9	18.5	14.5	12.7	14.9	12.5	16.3	21.2	14.3	6.0
1980.....	17.8	23.4	13.5	10.7	14.1	4.0	10.3	16.7	16.7	0.0
1981.....	-11.5	-12.3	10.2	8.9	10.6	9.8	10.1	6.5	10.8	-3.8
1982.....	-16.6	-17.7	6.0	5.4	6.4	3.1	8.7	0.5	1.8	-1.3

(1) *The Economist*.

(2) The index of the ratio of merchandise export prices to merchandise import prices.

Source: Statistics Canada, *Prices and Price Indexes*; Statistics Canada, *Trade of Canada Exports*, monthly, cat. 65-004; Statistics Canada, *Trade of Canada Imports*, monthly, cat. 65-007; and Statistics Canada, *Index Numbers of Farm Prices of Agricultural Products*, cat. 62-529.

Reference Table 47

**An International Comparison of
Total Government and Central Government Total Expenditures
as Percentages of Gross Domestic or Gross National Product
1975 – 1981**

	Average 1969-74	1975	1976	1977	1978	1979	1980	1981
Total Government⁽¹⁾								
Australia ⁽²⁾	27.7	32.3	33.0	34.4	33.7	33.2	33.9	—
Austria	38.5	43.8	44.8	45.0	47.9	47.4	46.6	—
Canada	36.7	41.3	40.2	41.3	42.0	40.7	41.7	42.7
Denmark	39.5	44.7	43.7	—	—	—	—	—
France	38.5	43.0	43.0	43.8	44.9	45.1	45.9	—
Germany	37.9	45.6	44.5	44.5	44.6	44.4	45.2	—
Italy	36.0	41.9	41.5	41.9	44.8	44.1	44.0	—
Japan	20.3	26.2	26.8	28.0	29.4	30.6	31.7	—
Netherlands.....	48.6	55.1	55.3	56.0	57.6	59.2	62.5	—
Norway	43.8	46.6	48.5	50.1	52.3	50.9	49.1	—
Sweden ⁽²⁾	45.9	49.1	51.9	57.5	59.0	59.8	61.7	—
United Kingdom	39.4	45.9	45.3	43.1	42.6	42.5	44.6	—
United States ⁽³⁾	32.6	35.9	35.0	34.1	33.3	33.0	35.1	35.8
Average ⁽⁴⁾	37.3	42.4	42.6	43.3	44.3	44.2	45.2	—
Central Government⁽⁵⁾								
Australia ⁽²⁾	13.4	15.9	16.5	17.0	16.7	16.3	16.9	—
Austria	16.3	17.2	17.5	17.5	19.3	19.1	18.5	—
Canada	14.6	16.8	15.8	16.2	16.6	15.7	16.4	17.4
Excluding C/QPP ..	14.9	17.3	16.4	16.9	17.3	16.5	17.3	18.4
Including C/QPP	17.6	18.3	17.9	18.2	18.4	18.2	18.2	—
France	9.3	10.8	10.4	10.4	10.6	10.6	10.4	—
Germany	15.8	17.2	17.2	18.2	20.1	20.0	19.8	—
Italy ⁽⁶⁾	5.2	6.0	6.2	6.6	7.0	7.4	8.0	—
Japan ⁽⁶⁾	14.6	16.2	16.2	16.4	16.9	17.6	—	—
Netherlands.....	29.8	32.5	34.0	32.5	34.0	33.4	32.0	—
Norway	19.7	20.7	22.0	24.0	25.1	25.6	26.5	—
Sweden	20.5	23.9	23.9	23.4	23.7	24.1	25.5	—
United Kingdom	17.6	19.6	19.1	18.8	18.2	18.2	20.1	21.1
United States ⁽³⁾	16.2	18.0	18.1	18.3	18.9	18.9	19.4	—
Average ⁽⁷⁾								

(1) Includes all levels of government and the social security system, but excludes public corporations and public financial institutions.

(2) Excludes social security benefits.

(3) To conform to Canadian national accounts conventions and to facilitate Canada-United States comparisons, the current surpluses of government enterprises and the interest received by the government have been added to government expenditures. In the United States national accounts these items are netted out of subsidies and interest payments respectively.

(4) Percentages exclude countries for which no data is shown on the table.

(5) Net of transfers to other levels of government.

(6) Average for 1970-74 instead of the average for 1969-74.

(7) Percentages exclude countries for which no data is shown on the table. The averages for the whole period are based on Canadian estimates including C/QPP.

Source: OECD, *National Accounts of OECD Countries*, 1980, volume II; Statistics Canada, *National Income and Expenditure Accounts*, and for the U.S. *Economic Report of the President and the Survey of Current Business*.

Reference Table 48
Total Government Revenues
National Income and Expenditure Accounts Basis
1947 – 1982

Year	Direct taxes, persons	Direct taxes, corporations	Withholding taxes	Indirect taxes	Transfers from persons	Investment income	Capital consumption allowances	Total CPP and QPP ⁽¹⁾	Total revenues ⁽²⁾
D	30516	30522	30525	30526	30530	30535	30548		
(Millions of dollars)									
1947.....	927	702	35	1,855	35	261	146	—	3,961
1948.....	986	687	41	1,907	47	261	171	—	4,100
1949.....	956	723	47	1,955	57	242	187	—	4,167
1950.....	915	993	54	2,129	62	280	201	—	4,634
1951.....	1,279	1,431	56	2,677	77	285	248	—	6,053
1952.....	1,588	1,403	55	2,901	82	368	265	—	6,662
1953.....	1,748	1,244	54	3,107	84	378	280	—	6,895
1954.....	1,776	1,115	58	3,131	73	373	293	—	6,819
1955.....	1,855	1,310	67	3,407	79	420	320	—	7,458
1956.....	2,127	1,443	69	3,858	97	537	365	—	8,496
1957.....	2,350	1,378	83	4,095	106	490	385	—	8,887
1958.....	2,214	1,350	48	4,186	124	542	404	—	8,868
1959.....	2,444	1,615	74	4,651	224	604	434	—	10,046
1960.....	2,794	1,588	79	4,901	234	649	465	—	10,710
1961.....	2,944	1,649	116	5,159	256	710	531	—	11,365
1962.....	3,180	1,753	125	5,807	268	784	574	—	12,491
1963.....	3,387	1,891	127	6,115	274	885	629	—	13,308
1964.....	3,917	2,100	140	6,877	316	978	676	—	15,004
1965.....	4,431	2,197	167	7,741	377	1,080	768	—	16,761
1966.....	5,792	2,355	204	8,669	401	1,241	864	724	19,526
1967.....	7,009	2,396	218	9,489	447	1,495	922	904	21,976
1968.....	8,244	2,852	209	10,303	613	1,765	988	1,040	24,974
1969.....	10,055	3,221	234	11,423	838	2,257	1,113	1,190	29,141
1970.....	11,547	3,070	269	12,055	1,077	2,705	1,231	1,327	31,954
1971.....	13,042	3,346	278	13,048	1,107	3,180	1,334	1,478	35,335
1972.....	14,631	3,920	287	14,760	1,036	3,690	1,495	1,657	39,819
1973.....	17,041	5,080	322	16,686	1,072	4,386	1,710	1,875	46,297
1974.....	21,197	7,051	430	20,876	1,125	5,916	2,161	2,313	58,756
1975.....	24,070	7,486	465	21,442	1,139	7,112	2,525	2,780	64,239
1976.....	28,353	7,113	504	24,864	1,480	8,357	2,825	3,282	73,496
1977.....	31,538	7,256	534	27,227	1,671	9,927	3,157	3,666	81,310
1978.....	33,419	8,274	582	29,090	2,009	12,520	3,595	4,231	89,489
1979.....	36,839	10,107	754	32,620	2,218	14,835	4,099	4,867	101,472
1980.....	42,194	12,182	995	36,115	2,359	17,214	4,617	5,669	115,676
1981.....	51,796	11,666	1,110	45,899	2,628	18,886	5,400	6,533	137,385
1982.....	57,776	9,061	1,178	48,188	2,900	21,558	6,264	7,816	146,925

⁽¹⁾ Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) employer-employee contributions and investment income included in total government direct taxes, persons, and investment income respectively.

⁽²⁾ Includes CPP and QPP. Excludes intergovernmental transfers.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 49
Total Government Expenditures
National Income and Expenditure Accounts Basis
1947 – 1982

Year	Goods and services	National defence ⁽¹⁾	Transfers to persons	Interest on the public debt	Subsidies	Capital assistance ⁽²⁾	Transfers to non-residents	Total CPP and QPP ⁽³⁾	Gross capital formation	Total expenditures ⁽⁴⁾	Deficit or surplus
D	30560	31284	30565	30579	30572	30575	30578		30597		30609
(Millions of dollars)											
1947	1,343	227	834	559	177	6	46	—	233	3,198	763
1948	1,454	236	857	558	75	10	32	—	392	3,378	722
1949	1,722	361	942	572	77	13	15	—	483	3,824	343
1950	1,928	493	1,023	544	64	10	14	—	497	4,080	554
1951	2,811	1,157	1,024	609	129	13	21	—	620	5,227	826
1952	3,620	1,800	1,343	651	102	14	28	—	847	6,605	57
1953	3,824	1,907	1,449	620	113	14	37	—	755	6,812	83
1954	3,825	1,727	1,626	650	89	13	23	—	865	7,091	-272
1955	4,036	1,760	1,719	664	86	8	36	—	949	7,498	-40
1956	4,426	1,802	1,746	718	127	27	42	—	1,138	8,224	272
1957	4,573	1,765	2,052	774	120	29	52	—	1,306	8,906	-19
1958	4,854	1,661	2,605	826	150	18	67	—	1,426	9,946	-1,078
1959	4,976	1,559	2,721	1,023	250	22	85	—	1,570	10,647	-601
1960	5,281	1,546	3,090	1,093	314	17	74	—	1,511	11,380	-670
1961	6,206	1,613	2,709	1,184	321	21	77	—	1,682	12,200	-835
1962	6,608	1,680	2,912	1,316	361	41	59	—	1,900	13,197	-706
1963	6,982	1,572	2,979	1,431	401	77	89	—	1,973	13,932	-624
1964	7,593	1,584	3,175	1,546	436	92	95	—	1,968	14,905	99
1965	8,358	1,559	3,423	1,675	457	92	119	—	2,430	16,554	207
1966	9,748	1,709	3,750	1,862	639	65	195	15	2,842	19,101	425
1967	11,153	1,805	4,667	2,081	637	91	217	17	2,982	21,828	148
1968	12,684	1,812	5,473	2,391	641	100	170	37	3,013	24,472	502
1969	14,241	1,799	6,161	2,767	701	110	185	77	3,061	27,226	1,915
1970	16,630	1,868	6,985	3,250	756	123	244	134	3,160	31,148	806
1971	18,368	1,926	8,255	3,622	772	225	249	200	3,714	35,205	130
1972	20,291	1,963	9,918	4,137	884	245	279	284	3,984	39,738	81
1973	23,037	2,174	11,198	4,788	1,088	326	318	406	4,290	45,045	1,252
1974	27,816	2,548	13,880	5,425	2,619	326	407	542	5,488	55,961	2,795
1975	33,380	2,780	17,080	6,538	3,858	486	592	777	6,354	68,288	-4,049
1976	38,325	3,220	19,483	8,101	3,344	564	542	1,099	6,359	76,718	-3,222
1977	43,374	3,693	22,220	9,268	3,320	662	638	1,428	6,833	86,315	-5,005
1978	47,811	4,080	25,025	11,538	3,527	769	1,013	1,782	7,198	96,881	-7,392
1979	52,301	4,245	26,508	13,795	4,805	842	767	2,174	7,457	106,475	-5,003
1980	58,538	4,936	30,204	15,897	7,103	946	817	2,667	8,346	121,851	-6,175
1981	66,749	5,743	34,679	20,492	8,272	1,017	875	3,286	9,326	141,410	-4,025
1982	75,748	6,969	42,630	25,238	7,600	2,588	1,059	4,022	10,694	165,557	-18,632

(1) Included in goods and services.

(2) From 1961 on, this item is treated as government current expenditures; prior to 1961, it was treated as a capital transfer.

(3) CPP and QPP goods and services expenditures and benefit payments included respectively in total government goods and services, and transfers to persons and non-residents.

(4) Includes CPP and QPP. Excludes intergovernmental transfers.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 50
Federal Government Revenues
National Income and Expenditure Accounts Basis
1947 – 1982

Year	Direct taxes, persons	Direct taxes, corporations	Withholding taxes	Indirect taxes	Transfers from persons	Investment income	Capital consumption allowances	Total revenues
D	30517	30523	30525	30527	30531	30536	30549	
(Millions of dollars)								
1947.....	825	631	35	1,136	4	102	43	2,776
1948.....	875	568	41	1,086	6	91	50	2,717
1949.....	841	593	47	1,048	7	109	54	2,699
1950.....	806	847	54	1,115	7	133	58	3,020
1951.....	1,158	1,242	56	1,494	6	143	66	4,165
1952.....	1,461	1,294	55	1,594	7	205	71	4,687
1953.....	1,613	1,168	54	1,697	2	200	75	4,809
1954.....	1,622	1,051	58	1,612	1	187	77	4,608
1955.....	1,647	1,248	67	1,743	1	220	82	5,008
1956.....	1,910	1,364	69	1,970	1	296	88	5,698
1957.....	2,105	1,170	83	1,989	2	230	93	5,672
1958.....	1,965	1,105	48	1,906	2	285	98	5,409
1959.....	2,183	1,340	74	2,120	2	316	104	6,139
1960.....	2,503	1,308	79	2,177	3	336	111	6,517
1961.....	2,629	1,345	116	2,188	2	382	117	6,779
1962.....	2,605	1,314	125	2,400	1	410	124	6,979
1963.....	2,730	1,412	127	2,449	2	471	132	7,323
1964.....	3,129	1,575	140	2,845	2	525	139	8,355
1965.....	3,332	1,652	167	3,245	3	545	151	9,095
1966.....	3,634	1,774	204	3,570	3	632	167	9,984
1967.....	4,305	1,758	218	3,705	3	738	179	10,906
1968.....	5,125	2,107	209	3,761	4	821	191	12,218
1969.....	6,503	2,402	234	4,028	2	1,108	213	14,490
1970.....	7,436	2,276	269	4,034	2	1,279	232	15,528
1971.....	8,299	2,477	278	4,480	4	1,458	245	17,241
1972.....	9,285	2,901	287	5,121	5	1,684	277	19,560
1973.....	10,861	3,644	322	5,837	6	1,827	312	22,809
1974.....	13,538	5,012	430	8,495	8	2,116	379	29,978
1975.....	15,231	5,372	465	7,882	8	2,304	441	31,703
1976.....	18,042	5,046	504	8,601	11	2,608	501	35,313
1977.....	18,042	5,157	534	9,085	13	3,124	554	36,509
1978.....	17,708	5,813	582	9,750	15	3,879	643	38,390
1979.....	20,252	6,945	754	10,661	17	4,183	729	43,541
1980.....	23,456	8,425	995	12,131	17	4,816	806	50,646
1981.....	29,096	8,399	1,110	18,838	22	5,349	923	63,737
1982.....	32,254	6,745	1,178	17,324	24	6,294	1,055	64,874

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 51
Federal Government Expenditures
National Income and Expenditure Accounts Basis
1947 – 1982

Year	Goods and services	National defence ⁽¹⁾	Transfers to persons	Interest on the public debt	Subsidies	Capital assistance ⁽²⁾	Transfer payments to non-residents	Transfers to other levels of government	Gross capital formation	Total expenditures	Deficit(-) or surplus
D	30561	31284	30566	30580	30573	30576	41974	30801	30598		30610
(Millions of dollars)											
1947	651	227	611	453	171	1	46	192	-36	2,089	687
1948	628	236	570	453	71	1	32	150	47	1,952	765
1949	757	361	583	461	73	1	15	187	138	2,215	484
1950	923	493	615	427	60	1	14	251	79	2,370	650
1951	1,634	1,157	580	486	124	0	21	259	90	3,194	971
1952	2,315	1,800	975	515	96	2	28	368	193	4,492	195
1953	2,462	1,907	1,043	471	106	1	37	412	126	4,658	151
1954	2,316	1,727	1,165	482	84	1	23	430	153	4,654	-46
1955	2,364	1,760	1,229	487	75	3	36	450	162	4,806	202
1956	2,517	1,802	1,221	516	118	16	42	485	185	5,100	598
1957	2,513	1,765	1,460	531	108	20	52	521	217	5,422	250
1958	2,524	1,661	1,893	568	131	13	67	663	317	6,176	-767
1959	2,387	1,559	1,782	733	229	19	85	880	363	6,478	-339
1960	2,426	1,546	1,973	753	283	15	74	994	228	6,746	-229
1961	2,584	1,613	2,005	786	285	18	77	1,128	306	7,189	-410
1962	2,688	1,680	2,110	865	322	38	59	1,134	270	7,486	-507
1963	2,617	1,572	2,134	935	355	74	89	1,169	236	7,609	-286
1964	2,750	1,584	2,241	995	379	89	95	1,252	209	8,010	345
1965	2,829	1,559	2,311	1,052	372	86	119	1,431	351	8,551	544
1966	3,267	1,709	2,484	1,151	500	62	195	1,664	430	9,753	231
1967	3,562	1,805	2,918	1,245	519	73	217	1,992	464	10,990	-84
1968	3,883	1,812	3,295	1,409	522	78	170	2,372	500	12,229	-11
1969	4,242	1,799	3,598	1,589	555	88	185	2,726	486	13,469	1,021
1970	4,551	1,868	4,057	1,862	589	97	244	3,397	465	15,262	266
1971	4,958	1,926	4,684	1,974	513	171	249	4,323	514	17,386	-145
1972	5,452	1,963	6,186	2,253	596	181	277	4,558	623	20,126	-566
1973	6,087	2,174	7,008	2,518	738	227	315	4,807	722	22,422	387
1974	7,408	2,548	8,705	2,961	2,060	193	403	6,165	974	28,869	1,109
1975	8,329	2,780	10,620	3,705	3,183	288	588	7,670	1,125	35,508	-3,805
1976	9,670	3,220	11,533	4,519	2,398	367	537	8,522	1,158	38,704	-3,391
1977	11,143	3,693	13,089	5,101	2,222	497	630	9,967	1,163	43,812	-7,303
1978	12,018	4,080	14,647	6,410	2,301	615	1,003	10,875	1,206	49,075	-10,685
1979	12,793	4,245	14,657	8,080	3,225	629	756	11,754	911	52,805	-9,264
1980	13,802	4,936	16,470	9,653	5,523	708	804	12,831	1,008	60,799	-10,153
1981	16,365	5,743	18,785	13,351	6,494	760	859	14,073	1,029	71,716	-7,979
1982	18,636	6,969	24,644	16,440	5,649	2,288	1,039	15,768	1,493	85,957	-21,083

(1) Included in goods and services.

(2) See note 2 on reference table 49.

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 52

**Federal Government Expenditure by Envelope
Expenditure Management System Basis**

	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82
	(Millions of dollars)					
Energy	1,631	1,554	1,398	2,362	3,624	1,608
Economic development	4,739	4,996	5,024	5,371	5,183	6,899
Social affairs	18,605	20,408	22,114	22,690	24,633	27,579
Justice and legal	773	915	1,014	1,037	1,213	1,384
Fiscal transfers	3,184	3,196	2,999	3,635	3,908	4,734
External affairs.....	1,123	1,257	1,353	1,404	1,421	1,702
Defence	3,382	3,785	4,108	4,389	5,058	6,031
Parliament	73	89	92	99	130	151
Services to government	2,150	2,402	2,481	2,333	2,732	3,657
Sub-total	35,660	38,602	40,583	43,320	47,902	53,745
Public debt.....	4,721	5,550	7,058	8,524	10,687	15,168
Total outlays	40,381	44,152	47,641	51,844	58,589	68,913

Note: Figures for all years are on a consistent basis; the Post Office is treated as a Crown Corporation.

Source: Department of Finance and 1983-84 Main Estimates, Part I.

Reference Table 53
Federal Government Debt
Public Accounts Basis⁽¹⁾

Year	Gross debt	Net debt	Unmatured debt	Public debt charges	
				Gross	Net
(Millions of dollars)					
1952.....	16,729	11,185	13,949	531	413
1957.....	17,586	11,009	13,573	534	327
1962 ⁽²⁾	21,728	14,767	16,883	839	532
1963.....	23,080	15,522	17,950	918	606
1964.....	24,828	16,657	18,739	994	627
1965.....	25,920	16,986	18,934	1,051	629
1966.....	26,590	16,745	18,966	1,111	673
1967.....	28,105	17,013	19,681	1,191	671
1968.....	29,708	17,713	20,284	1,301	689
1969.....	31,971	18,117	21,725	1,480	785
1970.....	33,178	17,621	22,184	1,717	857
1971.....	36,774	18,030	24,886	1,920	920
1972.....	40,238	18,811	27,259	2,137	1,004
1973.....	43,252	19,810	29,039	2,301	1,036
1974.....	45,677	21,194	29,171	2,566	1,077
1975.....	50,997	22,927	33,086	3,239	1,408
1976.....	58,025	28,390	37,697	3,972	1,875
1977.....	65,761	34,600	42,519	4,721	2,309
1978.....	78,528	44,889	51,567	5,550	2,958
1979.....	95,702	57,115	66,591	7,058	3,902
1980.....	103,626	68,595	72,121	8,524	5,180
1981.....	118,461	81,263	83,149	10,687	6,557
1982.....	134,107	94,869	92,353	15,168	10,073
(Per cent of GNP) ⁽³⁾					
1952.....	77.3	51.7	64.5	2.5	1.9
1957.....	54.9	34.3	42.3	1.7	1.0
1962.....	54.8	37.2	42.6	2.1	1.3
1963.....	53.8	36.2	41.8	2.1	1.4
1964.....	54.0	36.2	40.8	2.2	1.4
1965.....	51.6	33.8	37.7	2.1	1.3
1966.....	48.0	30.2	34.3	2.0	1.2
1967.....	45.5	27.5	31.8	1.9	1.1
1968.....	44.7	26.7	30.5	2.0	1.0
1969.....	44.0	25.0	29.9	2.0	1.1
1970.....	41.6	22.1	27.8	2.2	1.1
1971.....	42.9	21.0	29.0	2.2	1.1
1972.....	42.6	19.9	28.9	2.3	1.1
1973.....	41.1	18.8	27.6	2.2	1.0
1974.....	37.0	17.2	23.6	2.1	0.9
1975.....	34.6	15.5	22.4	2.2	1.0
1976.....	35.1	17.2	22.8	2.4	1.1
1977.....	34.4	18.1	22.3	2.5	1.2
1978.....	37.6	21.5	24.7	2.7	1.4
1979.....	41.5	24.8	28.9	3.1	1.7
1980.....	39.6	26.2	27.6	3.3	2.0
1981.....	40.6	27.8	28.5	3.7	2.2
1982.....	40.5	28.6	27.9	4.6	3.0

(1) As at March 31 of each year.

(2) Data for gross debt and net debt for years prior to 1962 are not entirely consistent with those for later years due to changes in accounting practices. Revised data are available only from March 1962.

(3) Calculated using GNP of calendar year preceding the fiscal year end.

Source: *Public Accounts of Canada*.

Reference Table 54

**Actual and Cyclically Adjusted Budget Balances
Federal and Consolidated Government Sectors
National Income and Expenditure Accounts Basis
1954 – 1982**

Year	Actual balances (surplus or deficit (–))		Cyclically adjusted balances (surplus or deficit (–))		Actual balances (surplus or deficit (–))		Cyclically adjusted balances (surplus or deficit (–))	
	Federal government	All governments	Federal government	All governments	Federal government	All governments	Federal government	All governments
	(Millions of dollars)				(Per cent of GNP) ⁽¹⁾			
1954	– 46	– 272	40	– 176	– 0.2	– 1.1	0.2	– 0.7
1955	202	– 40	36	– 223	0.7	– 0.1	0.1	– 0.8
1956	598	272	102	– 273	1.9	0.9	0.3	– 0.9
1957	250	– 19	54	– 249	0.8	– 0.1	0.2	– 0.8
1958	– 767	– 1,078	– 543	– 843	– 2.2	– 3.1	– 1.6	– 2.4
1959	– 339	– 601	– 114	– 349	– 0.9	– 1.6	– 0.3	– 0.9
1960	– 229	– 670	218	– 167	– 0.6	– 1.8	0.6	– 0.4
1961	– 410	– 835	240	– 85	– 1.0	– 2.1	0.6	– 0.2
1962	– 507	– 706	– 162	– 281	– 1.2	– 1.6	– 0.4	– 0.6
1963	– 286	– 624	– 27	– 297	– 0.6	– 1.4	– 0.1	– 0.6
1964	345	99	348	108	0.7	0.2	0.7	0.2
1965	544	207	368	– 7	1.0	0.4	0.7	– 0.0
1966	231	425	– 215	– 147	0.4	0.7	– 0.4	– 0.2
1967	– 84	148	– 253	– 50	– 0.1	0.2	– 0.4	– 0.1
1968	– 11	502	– 158	312	– 0.0	0.7	– 0.2	0.4
1969	1,021	1,915	738	1,550	1.3	2.4	0.9	2.0
1970	266	806	527	1,181	0.3	0.9	0.6	1.4
Average 1961 to 1970	111	194	141	228	0.1	0.0	0.2	0.2
1971	– 145	130	0	317	– 0.2	0.1	0.0	0.3
1972	– 566	81	– 665	– 91	– 0.5	0.1	– 0.6	– 0.1
1973	387	1,252	– 590	– 80	0.3	1.0	– 0.5	– 0.1
1974	1,109	2,795	– 455	772	0.8	1.9	– 0.3	0.5
1975	– 3,805	– 4,049	– 3,847	– 4,041	– 2.3	– 2.5	– 2.3	– 2.4
1976	– 3,391	– 3,222	– 4,060	– 4,132	– 1.8	– 1.7	– 2.2	– 2.2
1977	– 7,303	– 5,005	– 6,812	– 4,387	– 3.5	– 2.4	– 3.2	– 2.1
1978	– 10,686	– 7,393	– 9,867	– 6,386	– 4.6	– 3.2	– 4.3	– 2.8
1979	– 9,264	– 5,003	– 8,904	– 4,431	– 3.5	– 1.9	– 3.4	– 1.7
1980	– 10,153	– 6,175	– 8,191	– 3,135	– 3.5	– 2.1	– 2.7	– 1.0
Average 1971 to 1980	– 4,382	– 2,659	– 4,319	– 2,559	– 1.9	– 1.1	– 2.0	– 1.2
1981	– 7,979	– 4,025	– 6,191	1,347	– 2.4	– 1.2	– 1.8	– 0.4
1982	– 21,083	– 18,639	– 11,705	– 5,278	– 6.0	– 5.3	– 3.1	– 1.4

⁽¹⁾ Actual balances are taken as a percentage of actual GNP while cyclically adjusted balances are taken as a percentage of cyclically adjusted GNP.

⁽²⁾ The 1982 cyclically-adjusted budget balances are calculated on the assumption that the cyclically-adjusted level of output grew by 2.3 per cent in 1982 and that the unemployment rate was 7.0 per cent.

Source: Statistics Canada, *National Income and Expenditure Accounts*, and Department of Finance.

Reference Table 55

Provincial Government Revenues**National Income and Expenditure Accounts Basis****1947 - 1982**

Year	Direct taxes persons	Direct taxes cor- porations	Indirect taxes	Transfers from persons	Investment income	Transfers from other levels of government	Capital con- sumption allowances	Total revenues
D	40060 40298	40067 40305	40072 40310	40076 40314	40081 40319		40101 40339	
(Millions of dollars)								
1947	97	71	359	28	101	199	44	899
1948	105	119	418	37	111	159	53	1,002
1949	109	130	462	46	79	197	59	1,082
1950	102	146	515	51	89	261	62	1,226
1951	121	189	575	60	117	270	80	1,412
1952	127	109	607	61	140	378	81	1,503
1953	135	76	652	64	154	424	83	1,588
1954	154	64	690	56	165	443	88	1,660
1955	208	62	762	59	186	465	100	1,842
1956	217	79	864	72	221	494	125	2,072
1957	245	208	958	78	240	533	129	2,391
1958	249	245	1,016	94	234	657	132	2,627
1959	261	275	1,087	191	264	880	143	3,101
1960	291	280	1,131	197	287	979	154	3,319
1961	315	304	1,270	211	298	1,110	156	3,664
1962	575	439	1,572	217	341	1,105	172	4,421
1963	657	479	1,713	225	372	1,134	193	4,773
1964	788	525	2,006	261	398	1,217	211	5,406
1965	1,099	545	2,265	313	474	1,379	253	6,328
1966	1,444	581	2,622	331	516	1,593	288	7,375
1967	1,855	638	3,019	367	603	1,951	300	8,733
1968	2,194	745	3,447	541	720	2,320	319	10,286
1969	2,545	819	3,933	776	863	2,678	357	11,971
1970	3,057	794	4,263	1,007	1,032	3,347	395	13,895
1971	3,640	869	4,566	1,031	1,202	4,274	436	16,018
1972	4,156	1,019	5,261	956	1,380	4,449	481	17,702
1973	4,875	1,436	6,198	984	1,812	4,734	575	20,614
1974	6,051	2,039	7,236	1,038	2,897	6,054	778	26,093
1975	6,933	2,114	7,547	1,046	3,701	7,577	912	29,830
1976	8,106	2,067	9,077	1,348	4,375	8,369	1,001	34,343
1977	11,083	2,099	10,039	1,521	5,200	9,665	1,113	40,720
1978	12,985	2,461	10,419	1,849	6,693	10,591	1,260	46,258
1979	13,500	3,162	11,922	2,045	8,380	11,515	1,426	51,950
1980	15,197	3,757	12,929	2,175	9,724	12,614	1,629	58,025
1981	18,729	3,267	14,828	2,419	10,369	13,890	1,929	65,431
1982	20,772	2,316	17,219	2,669	11,541	15,591	2,248	72,356

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 56

Provincial Government Expenditures
National Income and Expenditure Accounts Basis
1947 – 1982

Year	Goods and services	Transfers to persons	Interest on the public debt	Subsidies	Capital assistance	Transfers to other levels of government	Gross capital formation	Total expenditures	Deficit (-) or surplus
D	40114 40352	40119 40357	40133 40371	40126 40364	40129 40367		40158 40396		40170 40408
(Millions of dollars)									
1947	268	204	68	6	5	101	152	804	95
1948	318	266	68	4	9	129	193	987	15
1949	387	336	72	4	12	157	172	1,140	- 58
1950	391	384	75	4	9	171	196	1,230	- 4
1951	470	416	78	5	13	197	229	1,408	4
1952	502	334	83	6	12	215	290	1,442	61
1953	498	368	88	7	13	242	265	1,481	107
1954	519	417	94	5	12	259	301	1,607	53
1955	578	449	93	11	5	327	351	1,814	28
1956	688	485	101	9	11	362	460	2,116	- 44
1957	703	547	116	12	9	452	536	2,375	16
1958	816	658	115	19	5	545	519	2,677	- 50
1959	907	874	121	21	3	622	566	3,114	- 13
1960	986	1,044	143	31	2	714	612	3,532	- 213
1961	1,040	625	160	36	3	1,535	546	3,945	- 281
1962	1,063	718	184	39	3	1,845	625	4,477	- 56
1963	1,209	759	212	46	3	1,984	659	4,872	- 99
1964	1,322	849	238	57	3	2,242	776	5,487	- 81
1965	1,507	1,024	271	85	6	2,560	875	6,328	0
1966	1,890	1,173	317	139	3	3,041	986	7,549	- 174
1967	2,307	1,647	385	118	18	3,546	1,046	9,067	- 334
1968	2,716	2,030	485	119	22	4,012	958	10,342	- 56
1969	2,957	2,369	638	146	22	4,495	1,025	11,652	319
1970	4,109	2,611	759	167	26	5,406	1,046	14,124	- 229
1971	4,708	3,139	920	259	54	5,999	1,409	16,488	- 470
1972	5,297	3,238	1,127	288	64	6,823	1,556	18,393	- 691
1973	6,112	3,574	1,404	350	99	7,540	1,637	20,716	- 102
1974	7,539	4,464	1,545	559	133	9,132	2,069	25,441	652
1975	9,634	5,482	1,839	675	198	11,340	2,418	31,586	- 1,756
1976	10,796	6,642	2,327	946	197	12,796	2,182	35,886	- 1,543
1977	12,410	7,507	2,690	1,098	165	15,200	2,384	41,454	- 734
1978	13,990	8,368	3,399	1,226	154	15,719	2,653	45,509	749
1979	15,741	9,422	3,856	1,580	213	18,232	2,940	51,984	- 34
1980	17,647	10,774	4,253	1,580	238	19,343	3,162	56,997	1,028
1981	19,039	12,311	4,933	1,778	257	21,504	3,612	63,434	1,997
1982	21,155	13,629	6,245	1,951	300	24,659	4,081	72,020	336

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 57
Local Government Revenues
National Income and Expenditure Accounts Basis
1947 – 1982

Year	Direct taxes	Indirect taxes	Investment income	Transfers from persons	Transfers from other levels of government	Capital consumption allowances	Total revenues
D		40073 40311	40082 40320	40077 40315		40102 40340	
(Millions of dollars)							
1947	5	360	58	3	101	59	586
1948	6	403	59	4	129	68	669
1949	6	445	54	4	157	74	740
1950	7	499	58	4	172	81	821
1951	—	608	25	11	199	102	945
1952	—	700	23	14	218	113	1,068
1953	—	758	24	18	245	122	1,167
1954	—	829	21	16	261	128	1,255
1955	—	902	14	19	334	138	1,407
1956	—	1,024	20	24	371	152	1,591
1957	—	1,148	20	26	468	163	1,825
1958	—	1,264	23	28	568	174	2,057
1959	—	1,444	24	31	646	187	2,332
1960	—	1,593	26	34	746	200	2,599
1961	—	1,701	28	41	874	212	2,856
1962	—	1,835	31	47	1,107	229	3,249
1963	—	1,953	39	44	1,200	250	3,486
1964	—	2,026	52	50	1,342	268	3,738
1965	—	2,231	58	58	1,514	299	4,160
1966	—	2,477	79	64	1,868	336	4,824
1967	—	2,765	95	74	2,122	364	5,420
1968	—	3,095	105	65	2,354	393	6,012
1969	—	3,462	99	56	2,595	450	6,662
1970	—	3,758	116	64	3,192	500	7,630
1971	—	4,002	140	68	3,583	538	8,331
1972	—	4,378	153	71	4,069	612	9,283
1973	—	4,651	170	78	4,501	683	10,083
1974	—	5,145	187	75	5,308	840	11,555
1975	—	6,013	223	81	6,703	986	14,006
1976	—	7,186	271	99	7,367	1,118	16,041
1977	—	8,103	317	112	9,197	1,263	18,992
1978	—	8,921	405	118	9,424	1,427	20,295
1979	—	10,037	437	127	11,261	1,640	23,502
1980	—	11,055	466	133	11,652	1,840	25,146
1981	—	12,233	506	149	12,864	2,152	27,904
1982	—	13,645	537	161	14,507	2,505	31,355

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 58

Local Government Expenditures**National Income and Expenditure Accounts Basis
1947 – 1982**

Year	Goods and services	Transfers to persons	Interest on the public debt	Transfers to other levels of government	Gross capital formation	Total expenditures	Deficit(-) or surplus
D	40115 40353	40120 40359	40134 40372		40159 40397		40171 40409
(Millions of dollars)							
1947	424	19	38	7	117	605	- 19
1948	508	21	37	9	152	727	- 58
1949	578	23	39	10	173	823	- 83
1950	614	24	42	11	222	913	- 92
1951	707	28	45	13	301	1,094	- 149
1952	803	34	53	13	364	1,267	- 199
1953	864	38	61	15	364	1,342	- 175
1954	990	44	74	15	411	1,534	- 279
1955	1,094	41	84	22	436	1,677	- 270
1956	1,221	40	101	18	493	1,873	- 282
1957	1,357	45	127	28	553	2,110	- 285
1958	1,514	54	143	17	590	2,318	- 261
1959	1,682	65	169	24	641	2,581	- 249
1960	1,869	73	197	17	671	2,827	- 228
1961	1,968	79	223	34	680	2,984	- 128
1962	2,174	84	251	28	847	3,384	- 135
1963	2,373	86	266	33	926	3,684	- 198
1964	2,635	85	294	31	834	3,879	- 141
1965	3,015	88	333	37	1,054	4,527	- 367
1966	3,399	93	373	51	1,235	5,151	- 327
1967	3,881	102	430	70	1,274	5,757	- 337
1968	4,438	133	475	64	1,338	6,448	- 436
1969	5,142	143	516	66	1,337	7,204	- 542
1970	5,803	213	595	64	1,425	8,100	- 470
1971	6,277	260	695	64	1,550	8,846	- 515
1972	6,836	246	721	69	1,582	9,454	- 171
1973	7,757	250	825	60	1,676	10,568	- 485
1974	9,072	216	873	61	2,152	12,374	- 819
1975	10,801	257	943	70	2,503	14,574	- 568
1976	12,600	272	1,194	71	2,673	16,810	- 769
1977	14,144	268	1,411	70	2,940	18,833	159
1978	15,555	309	1,663	84	2,934	20,545	- 250
1979	16,935	340	1,786	116	3,218	22,395	1,107
1980	18,989	393	1,910	102	3,674	25,068	78
1981	21,930	433	2,119	132	4,155	28,769	- 865
1982	25,278	478	2,451	97	4,535	32,839	- 1,484

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 59

Hospital Revenues and Expenditures**National Income and Expenditure Accounts Basis
1961 – 1982**

Year	Revenues					Expenditures				Deficit(-) or surplus
	Invest- ment income	Transfers from other levels of government	Transfers from persons	Capital consumption allowances	Total revenues	Goods and services	Interest on the public debt	Gross capital forma- tion	Total expendi- tures	
D	40083 40321		40078 40316	40103 40341		40116 40354	40555 40558	40160 40398		40172 40410
(Millions of dollars)										
1961	2	713	2	46	763	614	15	150	779	- 16
1962	2	795	3	49	849	683	16	158	857	- 8
1963	3	852	3	54	912	783	18	152	953	- 41
1964	3	966	3	58	1,030	886	19	149	1,054	- 24
1965	3	1,135	3	65	1,206	1,007	19	150	1,176	30
1966	4	1,295	3	73	1,375	1,177	21	191	1,389	- 14
1967	4	1,535	3	79	1,621	1,386	21	198	1,605	16
1968	4	1,774	3	85	1,866	1,625	22	217	1,864	2
1969	4	2,014	4	93	2,115	1,874	24	213	2,111	4
1970	5	2,328	4	104	2,441	2,137	34	224	2,395	46
1971	5	2,529	4	115	2,653	2,397	33	241	2,671	- 18
1972	6	2,932	4	125	3,067	2,672	36	223	2,931	136
1973	7	3,172	4	140	3,323	3,044	41	255	3,340	- 17
1974	11	3,996	4	164	4,175	3,754	46	293	4,093	82
1975	10	4,800	4	186	5,000	4,564	51	308	4,923	77
1976	26	5,653	22	205	5,906	5,201	61	346	5,608	298
1977	33	6,375	25	227	6,660	5,613	66	346	6,025	635
1978	38	6,663	27	265	6,993	6,177	66	405	6,648	345
1979	55	7,326	29	304	7,714	6,758	73	388	7,219	495
1980	80	8,010	34	342	8,466	8,013	81	502	8,596	- 130
1981	100	8,955	38	396	9,489	9,295	89	530	9,914	- 425
1982	120	10,426	46	456	11,048	10,556	102	585	11,243	- 195

Source: Statistics Canada, *National Income and Expenditure Accounts*.

Reference Table 60
**Federal Government
 Liabilities and Assets
 Financial Flow Accounts Basis
 1966 – 1981**

	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
	(Millions of dollars)															
Liabilities																
Currency and deposits	344	380	446	480	504	529	554	618	704	773	821	882	962	1,050	1,111	1,169
Payables	41	32	34	50	62	65	57	50	81	92	68	119	173	167	175	146
Loans	164	271	209	65	11	59	85	147	207	262	250	253	3,832	2,104	2,797	1,817
Pensions ⁽¹⁾	1,280	1,284	1,285	1,283	1,277	1,266	1,265	1,238	1,218	1,197	1,173	1,187	1,162	1,149	1,136	1,117
Claims by associated enterprises	96	73	100	118	132	147	167	184	243	313	331	353	440	477	658	825
Other liabilities	865	1,006	1,281	1,173	1,581	1,856	2,558	2,703	3,442	3,860	3,965	3,567	4,342	4,892	6,679	9,027
Unmatured debt	19,728	20,779	22,231	22,797	24,655	27,431	29,021	28,915	33,294	37,280	41,468	49,601	60,208	68,334	80,295	92,656
Total liabilities	22,518	23,825	25,586	25,966	28,222	31,353	33,707	33,855	39,189	43,777	48,076	55,962	71,119	78,173	92,851	106,757
Financial assets																
Currency and deposits	671	335	336	1,057	1,143	1,905	2,163	1,687	4,246	3,494	2,671	4,020	5,985	1,709	3,453	6,765
Receivables	6	6	6	8	9	10	19	20	30	52	55	77	105	153	192	150
Loans	1,880	2,053	2,270	2,445	2,648	3,085	3,412	4,076	4,565	5,083	5,493	6,095	6,570	7,243	7,701	7,961
Finance and other short-term paper	7	12	10	11	6	8	13	12	12	18	18	26	18	6	11	14
Mortgages	343	404	457	525	548	556	553	552	569	554	519	479	427	377	337	300
Bonds and treasury bills																
Federal government	482	419	544	559	511	33	39	20	20	20	31	25	19	162	85	102
Provincial governments	15	12	21	20	12	18	15	17	15	14	12	14	16	17	14	16
Municipal bonds	9	7	—	—	11	—	—	—	—	—	—	—	—	—	—	—
Other	10	8	14	19	23	25	27	29	35	39	37	36	29	30	34	34
Claims on associated enterprises	10,111	11,500	12,625	13,459	15,688	17,744	18,900	19,189	21,113	22,280	23,974	24,893	26,821	27,863	30,207	32,073
Stocks	10	15	19	26	53	76	100	127	154	187	64	58	58	54	55	378
Foreign investments	180	168	92	60	28	3	5	5	13	6	5	4	3	5	9	8
Other financial assets	1,573	1,533	1,763	1,433	1,208	1,394	1,602	1,921	2,838	2,930	2,456	1,911	2,300	2,883	2,303	2,089
Total financial assets	15,297	16,472	18,157	19,622	21,888	24,857	26,848	27,655	33,610	34,677	35,335	37,638	42,351	40,502	44,401	49,890
Excess of liabilities over financial assets ..	7,221	7,353	7,429	6,344	6,334	6,496	6,859	6,200	5,579	9,100	12,741	18,324	28,768	37,671	48,450	56,867

(¹) This mainly represents the balance in government annuities.

Source: Statistics Canada, *Financial Flow Accounts*.

Reference Table 61
Provincial and Local Governments and Hospitals
Liabilities and Assets
Financial Flow Accounts Basis
1966 – 1981

	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
	(Millions of dollars)															
Liabilities																
Payables.....	343	423	475	502	653	656	755	791	1,012	1,158	1,319	2,003	2,228	3,057	3,108	3,039
Loans.....	1,383	1,592	1,761	1,987	2,198	2,158	2,520	3,245	4,139	4,626	4,730	4,994	5,537	5,859	6,793	7,883
Finance and other short-term paper				118	174	313	435	343	230	634	318	297	505	280	609	1,170
Mortgages.....	99	121	190	143	159	157	177	158	168	187	136	57	38	15	—	—
Claims by associated enterprises.....	68	73	80	77	191	232	385	353	437	549	714	627	728	818	1,155	1,255
Other liabilities.....	1,603	1,643	1,655	1,685	1,892	1,999	1,717	2,386	2,621	2,658	3,348	3,171	3,457	3,322	2,862	3,063
Unmatured debt.....																
Provincial governments.....	6,885	8,098	9,431	10,757	12,208	13,774	15,860	17,443	19,729	23,451	27,219	31,738	36,390	40,140	45,368	52,504
Municipal governments.....	6,615	7,527	8,147	8,674	9,221	10,025	10,679	11,372	12,278	13,878	15,219	17,243	18,428	19,307	20,428	21,562
Other.....	311	342	351	391	388	400	408	412	448	474	509	536	586	645	433	449
Total liabilities.....	17,307	19,819	22,090	24,334	27,084	29,714	32,936	36,503	41,062	47,615	53,512	60,666	67,897	73,443	80,756	90,925
Financial assets																
Currency and deposits.....	690	647	791	1,256	1,529	1,422	2,123	2,361	2,597	1,953	2,797	3,945	4,983	7,509	7,397	10,328
Receivables.....	121	145	160	188	224	240	295	301	358	525	659	618	593	579	565	551
Loans.....	344	472	555	631	1,458	1,746	1,950	2,183	2,316	2,567	2,810	2,631	2,750	2,873	2,987	3,285
Finance and other short-term paper	16	14	17	21	34	45	66	79	83	85	163	463	597	594	591	588
Mortgages.....	277	284	356	462	660	924	1,103	1,291	1,580	1,922	2,281	2,545	2,781	2,784	2,969	3,243
Bonds and treasury bills.....																
Federal government.....	318	293	326	305	268	238	217	207	186	214	352	607	1,293	1,792	3,230	3,135
Provincial governments.....	1,555	1,647	1,712	1,919	1,889	1,892	1,994	2,136	2,452	3,248	3,921	4,989	6,070	6,478	8,680	11,563
Municipal governments.....	1,397	1,758	2,138	2,472	2,870	3,237	3,547	3,774	4,328	4,847	5,422	5,974	6,579	6,619	7,589	8,624
Other.....	434	525	692	948	238	314	303	260	286	476	744	1,057	1,153	1,232	1,409	1,402
Claims on associated enterprises.....	3,667	4,119	4,585	5,242	6,357	6,913	7,547	8,386	9,924	11,377	12,485	15,117	17,492	18,475	19,555	21,932
Stocks.....	13	16	31	45	168	173	159	124	213	229	252	216	254	275	298	966
Other financial assets.....	2,229	2,270	2,428	2,534	2,564	2,772	2,287	3,425	4,145	3,851	3,449	3,284	4,818	6,855	8,840	9,519
Total financial assets.....	11,061	12,190	13,791	16,023	18,259	19,916	21,591	24,527	28,468	31,294	35,335	41,446	49,363	56,065	64,110	75,136
Excess of liabilities over financial assets	6,246	7,629	8,299	8,311	8,825	9,798	11,345	11,976	12,594	16,321	18,177	19,220	18,534	17,378	16,646	15,789

Source: Statistics Canada, *Financial Flow Accounts*.

Reference Table 62
Government of Canada
Statement of Financial Transactions
(Fiscal year ended March 31)
1973 – 1982
Summary⁽¹⁾

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
	(Millions of dollars)									
I Budgetary transactions										
A Revenues.....	18,351	21,346	27,581	29,512	32,020	32,093	34,313	38,936	45,398	54,068
B Expenditures.....	– 19,350	– 22,730	– 29,314	– 34,975	– 38,230	– 42,382	– 46,539	– 50,416	– 58,066	– 67,674
Surplus or deficit (–).....	– 999	– 1,384	– 1,733	– 5,463	– 6,210	– 10,289	– 12,226	– 11,480	– 12,668	– 13,606
II Non-budgetary transactions										
A Loans, investments and advances.....	– 1,210	– 1,337	– 1,948	– 2,915	– 2,151	– 1,770	– 1,102	– 1,428	– 523	– 1,239
B Specified purpose accounts.....	542	697	1,316	1,919	2,014	2,771	2,780	2,047	2,781	4,345
C Other transactions.....	359	507	226	1,685	799	839	– 565	416	293	2,169
Net source or requirement (–).....	– 309	– 133	– 406	689	662	1,840	1,113	1,035	2,551	5,275
Financial requirements (excluding foreign exchange)	– 1,308	– 1,517	– 2,139	– 4,774	– 5,548	– 8,449	– 11,113	– 10,445	– 10,117	– 8,331
III Foreign exchange transactions.....	– 75	131	593	– 5	1,281	1,186	4,262	– 128	1,157	– 347
Total financial requirements ⁽²⁾	– 1,383	– 1,386	– 1,546	– 4,779	– 4,267	– 7,263	– 6,851	– 10,573	– 8,960	– 8,678
IV Unmatured debt transactions ⁽³⁾	1,782	197	3,940	4,627	4,812	8,172	8,778	7,878	11,153	9,367
Change in cash balance ⁽⁴⁾	399	– 1,189	2,394	– 152	545	909	1,927	– 2,695	2,193	689
V Level of cash balance at end of period	1,999	810	3,204	3,052	3,597	4,506	6,433	3,738	5,931	6,620
Canadian dollar balance	1,984	801	3,186	3,037	3,580	4,487	6,374	3,661	5,826	6,594

⁽¹⁾ The Post Office is treated as a Crown Corporation.

⁽²⁾ Cash requirement (–).

⁽³⁾ Excluding change in unmatured debt outstanding payable in foreign currency.

⁽⁴⁾ Cash decrease (–).

Reference Table 62 (continued)
Government of Canada
Statement of Financial Transactions
(Fiscal year ended March 31)
1973 – 1982

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
(Millions of dollars)										
I Budgetary transactions										
A Revenues										
Personal income tax	8,378	9,226	11,710	12,709	14,634	13,988	14,656	16,808	19,837	24,046
Corporate income tax	2,920	3,710	4,836	5,748	5,363	5,280	5,654	6,951	8,106	8,118
Other direct taxes	353	338	434	493	451	503	568	787	894	1,882
Sales tax	3,052	3,590	3,866	3,515	3,929	4,427	4,729	4,698	5,429	6,185
Other indirect taxes	2,220	2,765	4,640	4,628	4,778	4,762	5,045	5,664	6,384	7,724
Non-tax revenues	1,428	1,717	2,095	2,419	2,865	3,133	3,661	4,028	4,748	6,113
Total revenues	18,351	21,346	27,581	29,512	32,020	32,093	34,313	38,936	45,398	54,068
B Expenditures										
Health and welfare	7,047	8,135	10,286	12,534	13,873	14,773	16,642	16,876	18,721	20,964
Economic development and support	2,451	2,903	4,290	5,474	5,120	5,624	5,174	6,462	8,118	7,153
Public debt	2,301	2,566	3,239	3,972	4,721	5,550	7,058	8,524	10,687	15,168
Defence	2,366	2,775	3,162	3,632	4,161	4,626	4,999	5,333	6,067	7,169
Fiscal transfer payments to provinces	1,304	1,678	2,399	2,378	2,966	3,101	2,921	3,424	3,643	4,393
Transportation and communications	747	1,211	1,727	1,913	2,043	2,137	2,227	2,096	2,524	3,215
General government services	813	965	1,237	1,509	1,688	1,969	2,143	2,289	2,452	3,003
Internal overhead	797	728	889	989	1,104	1,308	1,452	1,332	1,419	1,832
Education assistance	588	617	641	701	872	1,402	1,666	1,798	1,884	1,926
Culture and recreation	435	559	638	681	712	883	1,053	1,018	1,163	1,370
Foreign affairs	405	477	625	754	790	910	960	1,053	1,081	1,281
Total allocated expenditures	19,254	22,614	29,133	34,537	38,050	42,283	46,295	50,205	57,759	67,474
Provision for valuation of assets and liabilities	96	116	181	438	180	99	244	211	307	200
Total expenditures	19,350	22,730	29,314	34,975	38,230	42,382	46,539	50,416	58,066	67,674
Budgetary surplus or deficit (-)	-999	-1,384	-1,733	-5,463	-6,210	-10,289	-12,226	-11,480	-12,668	-13,606

Reference Table 62 (continued)
Government of Canada
Statement of Financial Transactions
(Fiscal year ended March 31)
1973 – 1982

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
(Millions of dollars)										
II Non-budgetary transactions										
A Loans, investments and advances										
Crown corporations and agencies										
Lending institutions	(-642)	(-686)	(-1,071)	(-1,909)	(-1,623)	(-1,144)	(-637)	(-962)	(-216)	(-619)
Canada Deposit Insurance Corporation	—	—	—	—	—	10	—	—	—	-200
Canada Mortgage and Housing Corporation	-475	-375	-735	-1,058	-837	-532	-52	-366	-66	-199
Export Development Corporation	-124	-141	-93	-357	-202	-84	-51	-44	19	3
Farm Credit Corporation	-43	-170	-243	-297	-277	-297	-267	-307	-270	-348
Federal Business Development Bank	—	—	—	-197	-307	-241	-267	-245	101	125
All other Crown corporations	(-110)	(-339)	(-492)	(-925)	(-393)	(-323)	(-489)	(-373)	(537)	(-466)
Air Canada	14	—	-145	3	83	3	-341	16	13	14
Atomic Energy of Canada	-59	-44	-81	-202	-149	-201	-242	-216	697	8
Canadian National Railways	2	-205	-143	-213	-40	-99	385	-108	-8	—
Petro-Canada	—	—	—	-237	-257	-150	-280	-80	-440	-129
Other	-67	-90	-123	-276	-30	124	-11	15	275	-359
Other loans										
Finance-employment loans ..	-135	-108	-67	-47	45	14	8	8	8	9
Regional Economic Expansion	-64	-61	-52	-29	-17	4	-2	8	7	9
Canada Development Corporation	-162	-75	-50	—	-10	—	—	—	—	—
Loans to developing countries	-117	-141	-179	-215	-162	-198	-239	-242	-254	-282
International organizations	-55	-55	-97	-181	-159	-179	-173	-134	-110	-166
Other	-21	12	-121	-47	-12	-43	186	56	235	76
Total loans, investments and advances not including allowance	-1,306	-1,453	-2,129	-3,353	-2,331	-1,869	-1,346	-1,639	207	-1,439
Allowance for valuation	96	116	181	438	180	99	244	211	-730	200
Total loans, investments and advances	-1,210	-1,337	-1,948	-2,915	-2,151	-1,770	-1,102	-1,428	-523	-1,239
B Specified purpose accounts										
Canada Pension Plan	43	41	53	76	98	93	124	113	173	170
Unemployment insurance	-370	-282	136	234	276	261	271	-150	-682	-15
Superannuation accounts	859	1,001	1,261	1,502	1,656	1,888	1,956	1,966	2,307	3,014
Government annuities	-13	-19	-21	-10	-1	-9	-10	-14	-15	-21
Other	4	8	12	20	24	34	36	28	29	49
Total annuity, insurance and pension accounts	523	749	1,441	1,822	2,053	2,267	2,377	1,943	1,812	3,197
Provincial tax collection account	8	-44	-196	67	-121	330	366	118	728	-56
Other deposit and trust accounts	11	-8	71	30	82	174	37	-14	241	1,204
Total deposit and trust accounts	19	-52	-125	97	-39	504	403	104	969	1,148
Total specified purpose accounts	542	697	1,316	1,919	2,014	2,771	2,780	2,047	2,781	4,345

Reference Table 62 (continued)
Government of Canada
Statement of Financial Transactions
(Fiscal year ended March 31)
1973 – 1982

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
(Millions of dollars)										
C Other transactions										
Interest and matured debt	349	294	455	667	696	904	-509	-38	186	1,933
Accounts payable and accrued salaries.....	105	444	-109	-33	623	-521	214	91	772	178
Cash in transit	-104	-854	-72	665	-169	-188	3	-130	-693	16
Outstanding cheques, warrants and money orders	16	539	5	366	-361	632	-243	506	9	29
Other	-7	84	-53	20	10	12	-30	-13	19	13
Total other transactions	359	507	226	1,685	799	839	-565	416	293	2,169
Total non-budgetary requirements	-309	-133	-406	689	662	1,840	1,113	1,035	2,551	5,275
III Foreign exchange transactions										
Source or requirement (-)										
Exchange Fund account	-125	175	673	39	1,537	248	-2,375	2,143	1,263	-237
International Monetary Fund										
Subscriptions	-51	-105	44	-89	110	-310	-482	-7	-930	181
Notes payable	103	137	-74	73	-364	260	690	39	715	-2
Unmatured debt payable in foreign currency	-2	-76	-50	-28	-2	855	6,186	-2,516	-66	-219
Special Drawing Rights	—	—	—	—	—	133	243	213	175	-70
Total foreign exchange transactions ..	-75	131	593	-5	1,281	1,186	4,262	-128	1,157	-347
IV Unmatured debt transactions										
Increase or decrease (-)										
Marketable bonds.....	36	93	672	1,137	2,265	3,439	8,146	6,417	7,834	3,000
Treasury bills	460	615	725	865	1,760	3,040	2,240	2,790	5,445	-2,395
Canada Savings Bonds	1,277	-583	2,509	2,602	787	1,707	1,236	-1,166	-2,269	9,166
Securities issued to Canada Pension Plan	7	8	9	10	10	12	12	17	23	18
Notes and loans payable in foreign currencies	—	—	—	—	—	850	3,390	-2,528	-5	-585
Less:										
Unmatured debt payable in foreign currency	2	76	50	28	2	-855	-6,186	2,516	66	219
Canada Savings Bonds held for employees	-8	-4	-13	-1	-5	-7	-15	-6	-1	-24
Securities issued to Canada Pension Plan	-7	-8	-9	-10	-10	-12	-12	-17	-23	-18
Securities investment account ⁽¹⁾	15	—	-3	-4	3	-2	-33	-145	83	-14
Total unmatured debt transactions	1,782	197	3,940	4,627	4,812	8,172	8,778	7,878	11,153	9,367
V Level of cash balance at end of period										
In Canadian dollars.....	1,984	801	3,186	3,037	3,580	4,487	6,374	3,661	5,826	6,594
In foreign currency	15	9	18	15	17	19	59	77	105	26

⁽¹⁾ Including investments held for retirement of unmatured debt.

Source: Public Accounts of Canada and Department of Finance.

Reference Table 63
Government of Canada
Liabilities and Assets
Public Accounts Presentation
(As at March 31)
1927 - 1982

	1927	1937	1947	1957	1962	1967	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
	(Millions of dollars)																
Liabilities																	
Specified purpose accounts..	109	243	1,060	3,240	3,867	6,693	9,978	10,520	11,217	12,533	14,452	16,466	19,237	22,017	24,064	26,845	31,190
Foreign liabilities	538	859	160	351	130	366	336	334	258	208	166	164	1,019	7,205	4,690	4,624	4,405
Other liabilities ⁽²⁾	181	24	804	1,156	1,073	1,933	3,095	3,788	5,395	5,506	6,025	6,937	7,906	7,336	7,851	8,818	10,971
Unmatured debt—net of own holdings																	
Marketable bonds	2,436	3,125	13,601	9,144	10,861	11,188	13,666	13,716	13,809	14,480	15,609	17,877	21,314	29,427	35,699	43,616	46,602
Canada Savings Bonds	—	—	483	2,421	4,042	5,981	9,669	10,938	10,351	12,848	15,444	16,226	17,926	19,147	17,975	15,705	24,847
Treasury bills	—	150	1,280	1,625	1,885	2,310	3,830	4,290	4,905	5,630	6,495	8,255	11,295	13,535	16,325	21,770	19,375
Notes payable to Canadian banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total unmaturing debt held by outside parties	2,436	3,275	15,364	13,190	16,788	19,479	27,165	28,944	29,065	32,958	37,548	42,358	51,385	66,349	71,711	82,798	91,946
Less: unmaturing debt pay- able in foreign currency	538	859	160	351	130	366	336	334	258	208	166	164	1,019	7,205	4,690	4,624	4,405
Total unmaturing debt pay- able in Canadian currency	1,898	2,416	15,204	12,839	16,658	19,113	26,829	28,610	28,807	32,750	37,382	42,194	50,366	59,144	67,021	78,174	87,541
Total liabilities ⁽¹⁾	2,726	3,542	17,228	17,586	21,728	28,105	40,238	43,252	45,677	50,997	58,025	65,761	78,528	95,702	103,626	118,461	134,107
Assets																	
Loans, investments and advances	243	429	2,805	4,281	4,053	7,087	13,600	14,810	16,147	18,095	21,010	23,161	24,931	26,033	27,461	27,984	29,223
Foreign assets	—	—	1,025	2,183	2,095	3,148	5,537	5,610	5,403	4,760	4,737	3,454	3,123	5,048	2,660	1,437	1,565
Other assets	135	29	350	113	813	857	2,290	3,022	2,933	5,215	3,888	4,546	5,585	7,506	4,910	7,777	8,450
Total assets	378	458	4,180	6,577	6,961	11,092	21,427	23,442	24,483	28,070	29,635	31,161	33,639	38,587	35,031	37,198	39,238
Excess of recorded liabilities over recorded assets ⁽¹⁾	2,348	3,084	13,048	11,009	14,767	17,013	18,811	19,810	21,194	22,927	28,390	34,600	44,889	57,115	68,595	81,263	94,869

⁽¹⁾ Total liabilities are normally referred to as the gross debt of Canada whereas the excess of recorded liabilities over recorded assets is normally referred to as the net debt of Canada.

Note: The liabilities and assets for the years 1972 to 1982 are adjusted to charge loan write-offs and provisions in the years in which the funds were expended rather than the years in which the write-offs or provisions were made. In addition, the government contribution to the Unemployment Insurance Account is treated for these years on a current basis. Undisbursed balances of appropriations to special accounts are eliminated and the unamortized portion of flotation costs of marketable bonds and Canada Savings Bonds is recorded as a charge to budgetary expenditure in the year in which the cost was incurred. Figures for the years prior to 1962 are thus not on a strictly consistent basis with figures for 1962 to 1982. For all years the old age security transactions are treated as budgetary.

Source: Public Accounts of Canada and Department of Finance.

Reference Table 64

Allocation of Revenues from Own Sources, by Levels of Government 1945 – 1982

Year	Revenues from own sources ⁽¹⁾				Percentage distribution		
	(a) Federal	(b) Provincial	(c) Local	(d) Total (a) + (b) + (c)	(e) Federal (a) ÷ (d)	(f) Provincial (b) ÷ (d)	(g) Local (c) ÷ (d)
	(Millions of dollars)				(Per cent)		
1945	2,385	538	415	3,338	71.4	16.1	12.4
1946	2,555	619	440	3,614	70.7	17.1	12.2
1947	2,696	780	485	3,961	68.1	19.7	12.2
1948	2,681	879	540	4,100	65.4	21.4	13.2
1949	2,659	925	583	4,167	63.8	22.2	14.0
1950	2,972	1,013	649	4,634	64.1	21.9	14.0
1951	4,113	1,194	746	6,053	67.9	19.7	12.3
1952	4,492	1,320	850	6,662	67.4	19.8	12.8
1953	4,563	1,410	922	6,895	66.2	20.4	13.4
1954	4,344	1,481	994	6,819	63.7	21.7	14.6
1955	4,745	1,640	1,073	7,458	63.6	22.0	14.4
1956	5,411	1,865	1,220	8,496	63.7	22.0	14.4
1957	5,455	2,075	1,357	8,887	61.4	23.3	15.3
1958	5,163	2,216	1,489	8,868	58.2	25.0	16.8
1959	5,871	2,489	1,686	10,046	58.4	24.8	16.8
1960	6,228	2,629	1,853	10,710	58.2	24.5	17.3
1961	6,473	2,860	1,982	11,315	57.2	25.3	17.5
1962	6,899	3,396	2,142	12,437	55.5	27.3	17.2
1963	7,323	3,639	2,286	13,248	55.3	27.5	17.3
1964	8,355	4,189	2,396	14,940	55.9	28.0	16.0
1965	9,095	4,949 ⁽²⁾	2,646	16,690	54.5	29.7	15.9
1966	9,984	5,782	2,956	18,722	53.3	30.9	15.8
1967	10,906	6,782	3,298	20,986	52.0	32.3	15.7
1968	12,218	7,966	3,658	23,842	51.2	33.4	15.3
1969	14,490	9,293	4,067	27,850	52.0	33.4	14.6
1970	15,528	10,548	4,438	30,514	50.9	34.6	14.5
1971	17,241	11,744	4,748	33,733	51.1	34.8	14.1
1972	19,560	13,253	5,214	38,027	51.4	34.9	13.7
1973	22,809	15,880	5,582	44,271	51.5	35.9	12.6
1974	29,978	20,039	6,247	56,264	53.3	35.6	11.1
1975	31,703	22,253	7,303	61,259	51.8	36.3	11.9
1976	35,313	25,974	8,674	69,961	50.5	37.1	12.4
1977	36,509	31,055	9,795	77,359	47.2	40.1	12.7
1978	38,390	35,667	10,871	84,928	45.2	42.0	12.8
1979	43,541	40,435	12,241	96,217	45.3	42.0	12.7
1980	50,646	45,411	13,494	109,551	46.2	41.5	12.3
1981	63,737	51,541	15,040	130,318	48.9	39.6	11.5
1982	64,874	56,765	16,848	138,487	46.8	41.0	12.2

⁽¹⁾ Tax rental payments are assumed to be a provincial revenue from own sources and have been deducted from "federal revenues from own sources".

⁽²⁾ The value of the federal tax abatements in Quebec, introduced in 1965 under the *Established Programs (Interim Arrangements) Act* (contracting-out arrangements), is included as a provincial revenue from own sources.

Source: Statistics Canada, *National Income and Expenditure Accounts*, Vol. 1, *The Annual Estimates 1926-1974*, cat. 13-531; and *National Income and Expenditure Accounts*.

Reference Table 65
Intergovernmental Transfers
1945 – 1982

Year	Transfers from				Revenue from own sources ⁽¹⁾			Federal transfers			Total transfers
	(a) Federal to provincial governments ⁽¹⁾	(b) Federal to local governments	(c) Provincial to local governments	(d) Local to provincial governments	(e) Federal	(f) Provin- cial	(g) Local	(h) As a % of federal revenues	(i) To provinces as a % of provincial revenues	(j) To local govern- ments as a % of local revenues	(k) Received by local governments as a % of local revenues ((b) + (c)) ÷ (g)
								((a) + (b)) ÷ (e)	(a) ÷ (f)	(b) ÷ (g)	
D	40374	40375	40376	40378							
	(Millions of dollars)				(Per cent)						
1945.....	76	—	63	7	2,385	538	415	3.2	14.1	—	15.2
1946.....	97	—	79	7	2,555	619	440	3.8	15.7	—	18.0
1947.....	112	—	101	7	2,696	780	485	4.2	14.4	—	20.8
1948.....	114	—	129	9	2,681	879	540	4.3	13.0	—	23.9
1949.....	147	—	157	10	2,659	925	583	5.5	15.9	—	26.9
1950.....	202	1	171	11	2,972	1,013	649	6.8	19.9	0.2	26.5
1951.....	205	2	197	13	4,113	1,194	746	5.0	17.2	0.3	26.7
1952.....	170	3	215	13	4,492	1,320	850	3.9	12.9	0.4	25.6
1953.....	163	3	242	15	4,563	1,410	922	3.6	11.6	0.3	26.6
1954.....	164	2	259	15	4,344	1,481	994	3.8	11.1	0.2	26.3
1955.....	180	7	327	22	4,745	1,640	1,073	3.9	11.0	0.7	31.1
1956.....	189	9	362	18	5,411	1,865	1,220	3.7	10.1	0.7	30.4
1957.....	288	16	452	28	5,455	2,075	1,357	5.6	13.9	1.2	34.5
1958.....	394	23	545	17	5,163	2,216	1,489	8.1	17.8	1.5	38.1
1959.....	588	24	622	24	5,871	2,489	1,686	10.4	23.6	1.4	38.3
1960.....	673	32	714	17	6,228	2,629	1,853	11.3	25.6	1.7	40.3
1961.....	789	33	841	15	6,473	2,860	1,982	12.7	27.6	1.7	44.1
1962.....	1,010	44	1,063	15	6,899	3,396	2,142	15.3	29.7	2.1	51.7
1963.....	1,117	52	1,148	17	7,323	3,639	2,286	16.0	30.7	2.3	52.5
1964.....	1,199	53	1,289	18	8,355	4,189	2,396	15.0	28.6	2.2	56.0
1965.....	1,357	74	1,440	22	9,095	4,949	2,646	15.7	27.4	2.8	57.2
1966.....	1,556	108	1,760	37	9,984	5,782	2,956	16.7	26.9	3.7	63.2
1967.....	1,895	97	2,025	56	10,906	6,782	3,298	18.3	27.9	2.9	64.3
1968.....	2,280	92	2,262	40	12,218	7,966	3,658	19.4	28.6	2.5	64.4
1969.....	2,632	94	2,501	46	14,490	9,293	4,067	18.8	28.3	2.3	63.8
1970.....	3,303	94	3,098	44	15,528	10,548	4,438	21.9	31.3	2.1	71.9
1971.....	4,230	93	3,490	44	17,241	11,744	4,748	25.1	36.0	2.0	75.5
1972.....	4,400	158	3,911	49	19,560	13,253	5,214	23.3	33.2	3.0	78.0
1973.....	4,694	113	4,388	40	22,809	15,880	5,582	21.1	29.6	2.0	80.6
1974.....	6,013	152	5,156	41	29,978	20,039	6,247	20.6	30.0	2.4	85.0
1975.....	7,527	143	6,560	50	31,703	22,253	7,303	24.2	33.8	2.0	91.8
1976.....	8,318	204	7,163	51	35,313	25,974	8,674	24.1	32.0	2.4	84.9
1977.....	9,615	352	8,845	50	36,509	31,055	9,795	27.3	31.0	3.6	93.9
1978.....	10,527	348	9,076	64	38,390	35,667	10,871	28.3	29.5	3.2	86.7
1979.....	11,419	335	10,926	96	43,541	40,435	12,241	27.0	28.2	2.7	92.0
1980.....	12,532	299	11,353	82	50,646	45,411	13,494	25.3	27.6	2.2	86.3
1981.....	13,778	295	12,569	112	63,737	51,541	15,040	22.1	26.7	2.0	85.5
1982.....	15,514	254	14,253	77	64,874	56,765	16,848	24.3	27.3	1.5	86.1

(1) Tax rental payments are assumed to be a "provincial revenue from own sources" and are not included in federal transfers to provincial governments.

Source: Statistics Canada, *National Income and Expenditure Accounts*, Vol. 1, *The Annual Estimates 1926-1974*; and *National Income and Expenditure Accounts*.

Reference Table 66

Allocations of Revenues After Transfers, by Levels of Government 1945 – 1982⁽¹⁾

Year	Revenues after transfers				Percentage distribution		
	(a) Federal	(b) Provincial	(c) Local	(d) Total (a) + (b) + (c)	(e) Federal (a) ÷ (d)	(f) Provincial (b) ÷ (d)	(g) Local (c) ÷ (d)
(Millions of dollars)							
1945	2,309	558	471	3,338	69.2	16.7	14.1
1946	2,458	644	512	3,614	68.0	17.8	14.2
1947	2,584	798	579	3,961	65.2	20.1	14.6
1948	2,567	873	660	4,100	62.6	21.3	16.1
1949	2,512	925	730	4,167	60.3	22.2	17.5
1950	2,769	1,055	810	4,634	59.8	22.8	17.5
1951	3,906	1,215	932	6,053	64.5	20.1	15.4
1952	4,319	1,288	1,055	6,662	64.8	19.3	15.8
1953	4,397	1,346	1,152	6,895	63.8	19.5	16.7
1954	4,178	1,401	1,240	6,819	61.3	20.5	18.2
1955	4,558	1,515	1,385	7,458	61.1	20.3	18.6
1956	5,213	1,710	1,573	8,496	61.4	20.1	18.5
1957	5,151	1,939	1,797	8,887	58.0	21.8	20.2
1958	4,746	2,082	2,040	8,868	53.5	23.5	23.0
1959	5,259	2,479	2,308	10,046	52.3	24.7	23.0
1960	5,523	2,605	2,582	10,710	51.6	24.3	24.1
1961	5,651	2,823	2,841	11,315	49.9	24.9	25.1
1962	5,845	3,358	3,234	12,437	47.0	27.0	26.0
1963	6,154	3,625	3,469	13,248	46.5	27.4	26.2
1964	7,103	4,117	3,720	14,940	47.5	27.6	24.9
1965	7,664	4,888	4,138	16,690	45.9	29.3	24.8
1966	8,320	5,615	4,787	18,722	44.4	30.0	25.6
1967	8,914	6,708	5,364	20,986	42.5	32.0	25.6
1968	9,846	8,024	5,972	23,842	41.3	33.7	25.0
1969	11,764	9,470	6,616	27,850	42.2	34.0	23.8
1970	12,131	10,797	7,586	30,514	39.8	35.4	24.9
1971	12,918	12,528	8,287	33,733	38.3	37.1	24.6
1972	15,002	13,791	9,234	38,027	39.5	36.3	24.3
1973	18,002	16,226	10,043	44,271	40.7	36.7	22.7
1974	23,813	20,937	11,514	56,264	42.3	37.2	20.5
1975	24,033	23,270	13,956	61,259	39.2	38.0	22.8
1976	26,791	27,180	15,990	69,961	38.3	38.9	22.9
1977	26,542	31,875	18,942	77,359	34.3	41.2	24.5
1978	27,515	37,182	20,231	84,928	32.4	43.8	23.8
1979	31,787	41,024	23,406	96,217	33.0	42.6	24.3
1980	37,815	46,672	25,064	109,551	34.5	42.6	22.9
1981	49,664	52,862	27,792	130,318	38.1	40.6	21.3
1982	49,106	58,103	31,278	138,487	35.5	42.0	22.6

⁽¹⁾ Transfers between levels of government subtracted from revenues of governments which pay and added to revenues of governments which receive.

Source: Statistics Canada, *National Income and Expenditure Accounts*, Vol. 1, *The Annual Estimates 1926-1974*; and *National Income and Expenditure Accounts*.

Reference Table 67
**Allocation of Expenditures by Levels of Government
Before and After Transfer Payments
1926 – 1982⁽¹⁾**

Year	Before transfer payments ⁽²⁾			After transfer payments ⁽³⁾			(g) Total government ex- penditures (d) + (e) + (f)	Before transfer payments			After transfer payments		
	(a) Total fed- eral ex- pend- itures	(b) Total provin- cial ex- pend- itures	(c) Total local ex- pend- itures	(d) Total fed- eral ex- pend- itures	(e) Total provin- cial ex- pend- itures	(f) Total local ex- pend- itures		Federal share (a)÷ (g)	Provin- cial share (b)÷ (g)	Local share (c)÷ (g)	Federal share (d)÷ (g)	Provin- cial share (e)÷ (g)	Local share (f)÷ (g)
(Millions of dollars)													
(Per cent)													
Pre-tax-rental era:													
1926	321	166	323	306	164	340	810	39.6	20.5	39.9	37.8	20.2	42.0
1927	336	181	342	320	177	362	859	39.1	21.1	39.8	37.3	20.6	42.1
1928	344	207	347	327	202	369	898	38.3	23.1	38.6	36.4	22.5	41.1
1929	362	240	389	345	234	412	991	36.5	24.2	39.3	34.8	23.6	41.6
1930	389	276	434	364	275	460	1099	35.4	25.1	39.5	33.1	25.0	41.9
1931	409	286	421	353	298	465	1116	36.6	25.6	37.7	31.6	26.7	41.7
1932	387	261	399	325	295	427	1047	37.0	24.9	38.1	31.0	28.2	40.8
1933	380	240	336	324	286	346	956	39.7	25.1	35.1	33.9	29.9	36.2
1934	409	300	332	338	355	348	1041	39.3	28.8	31.9	32.5	34.1	33.4
1935	453	307	333	379	369	345	1093	41.4	28.1	30.5	34.7	33.8	31.6
1936	459	297	331	368	371	348	1087	42.2	27.3	30.5	33.9	34.1	32.0
1937	476	364	333	371	448	354	1173	40.6	31.0	28.4	31.6	38.2	30.2
1938	524	394	336	438	457	359	1254	41.8	31.4	26.8	34.9	36.4	28.6
1939	483	382	340	404	436	365	1205	40.1	31.7	28.2	33.5	36.2	30.3
1940	1024	330	335	954	378	357	1689	60.6	19.5	19.8	56.5	22.4	21.1
1941	1550	354	333	1496	384	357	2237	69.3	15.8	14.9	66.9	17.2	16.0
Tax-rental era:													
1942	3680	334	332	3615	369	362	4346	84.7	7.7	7.6	83.2	8.5	8.3
1943	4323	359	340	4264	385	373	5022	86.1	7.1	6.8	84.9	7.7	7.4
1944	5233	397	350	5165	414	401	5980	87.5	6.6	5.9	86.4	6.9	6.7
1945	4217	446	366	4141	466	422	5029	83.9	8.9	7.3	82.3	9.3	8.4
1946	2800	526	425	2703	551	497	3751	74.6	14.0	11.3	72.1	14.7	13.2
1947	2009	685	504	1897	703	598	3198	62.8	21.4	15.8	59.3	22.0	18.7
1948	1916	864	598	1802	858	718	3378	56.7	25.6	17.7	53.3	25.4	21.3
1949	2175	983	666	2028	983	813	3824	56.9	25.7	17.4	53.0	25.7	21.3
1950	2322	1017	741	2119	1059	902	4080	56.9	24.9	18.2	51.9	26.0	22.1
1951	3142	1190	895	2935	1211	1081	5227	60.1	22.8	17.1	56.2	23.2	20.7
1952	4297	1259	1049	4124	1227	1254	6605	65.1	19.1	15.9	62.4	18.6	19.0
1953	4412	1303	1097	4246	1239	1327	6812	64.8	19.1	16.1	62.3	18.2	19.5
1954	4390	1428	1273	4224	1348	1519	7091	61.9	20.1	18.0	59.6	19.0	21.4
1955	4543	1612	1343	4356	1487	1655	7498	60.6	21.5	17.9	58.1	19.8	22.1
1956	4813	1909	1502	4615	1754	1855	8224	58.5	23.2	18.3	56.1	21.3	22.6
1957	5205	2059	1642	4901	1923	2082	8906	58.4	23.1	18.4	55.0	21.6	23.4
1958	5930	2266	1750	5513	2132	2301	9946	59.6	22.8	17.6	55.4	21.4	23.1
1959	6210	2502	1935	5598	2492	2557	10647	58.3	23.5	18.2	52.6	23.4	24.0
1960	6457	2842	2081	5752	2818	2810	11380	56.7	25.0	18.3	50.5	24.8	24.7
1961	6883	3141	2110	6061	3104	2969	12134	56.7	25.9	17.4	50.0	25.6	24.5

Reference Table 67 (continued)
Allocation of Expenditures by Levels of Government
Before and After Transfer Payments
1926 – 1982⁽¹⁾

Year	Before transfer payments ⁽²⁾			After transfer payments ⁽³⁾				Before transfer payments			After transfer payments		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	Fed- eral share	Provin- cial share	Local share	Fed- eral share	Provin- cial share	Local share
	Total fed- eral ex- pend- itures	Total provin- cial ex- pend- itures	Total local ex- pend- itures	Total fed- eral ex- pend- itures	Total provin- cial ex- pend- itures	Total local ex- pend- itures	Total govern- ment ex- pend- itures (d) + (e) + (f)	(a)÷ (g)	(b)÷ (g)	(c)÷ (g)	(d)÷ (g)	(e)÷ (g)	(f)÷ (g)
(Millions of dollars)													
(Per cent)													
Post-tax-rental era:													
1962	7406	3452	2277	6352	3414	3369	13135	56.4	26.3	17.3	48.4	26.0	25.6
1963	7609	3738	2484	6440	3724	3667	13831	55.0	27.0	18.0	46.6	26.9	26.5
1964	8010	4270	2537	6758	4198	3861	14817	54.1	28.8	17.1	45.6	28.3	26.1
1965	8551	4949	3013	7120	4888	4505	16513	51.8	30.0	18.2	43.1	29.6	27.3
1966	9753	5956	3283	8089	5789	5114	18992	51.4	31.4	17.3	42.6	30.5	26.9
1967	10990	7116	3635	8998	7042	5701	21741	50.5	32.7	16.7	41.4	32.4	26.2
1968	12229	8022	4094	9857	8080	6408	24345	50.2	33.0	16.8	40.5	33.2	26.3
1969	13469	8974	4609	10743	9151	7158	27052	49.8	33.2	17.0	39.7	33.8	26.5
1970	15262	10777	4908	11865	11026	8056	30947	49.3	34.8	15.9	38.3	35.6	26.0
1971	17386	12214	5263	13063	12998	8802	34863	49.9	35.0	15.1	37.5	37.3	25.2
1972	20126	13944	5385	15568	14482	9405	39455	51.0	35.3	13.6	39.5	36.7	23.8
1973	22422	15982	6067	17615	16328	10528	44471	50.4	35.9	13.6	39.6	36.7	23.7
1974	28869	19387	7066	22704	20285	12333	55322	52.2	35.0	12.8	41.0	36.7	22.3
1975	35508	24009	7871	27838	25026	14524	67388	52.7	35.6	11.7	41.3	37.1	21.6
1976	38704	27517	9443	30182	28723	16759	75664	51.2	36.4	12.5	39.9	38.0	22.1
1977	43812	31789	9636	33845	32609	18783	85237	51.4	37.3	11.3	39.7	38.3	22.0
1978	49075	34918	11121	38200	36433	20481	95114	51.6	36.7	11.7	40.2	38.3	21.5
1979	52805	40469	11134	41051	41058	22299	104408	50.6	38.8	10.7	39.3	39.3	21.4
1980	60799	44383	13416	47968	45644	24986	118598	51.3	37.4	11.3	40.4	38.5	21.1
1981	71716	49544	15905	57643	50865	28657	137165	52.3	36.1	11.6	42.0	31.7	20.9
1982	85957	56429	18332	70189	57767	32762	160718	53.5	35.1	11.4	43.7	35.9	20.4

(1) Includes conditional, unconditional and other types of transfer payments.

(2) Transfers between levels of government are attributed to the government who makes them.

(3) Transfers between levels of government are subtracted from expenditures of paying government and added to expenditures of recipient government.

Source: Statistics Canada, *National Income and Expenditure Accounts*, Vol. 1, *The Annual Estimates 1926-1974*, and *National Income and Expenditure Accounts*.

Reference Table 68
Summary of Balance of Payments
1947 – 1982

Year	Merchan- dise exports	Merchan- dise imports	Merchan- dise trade balance	Service receipts	Service payments	Balance on goods and services	Net transfers	Balance on current account	Net capital movements inflows and outflows (–)		Special Drawing Rights alloca- tions	Net official monetary move- ments ⁽²⁾
									Long- term forms	Short- term forms ⁽¹⁾		
D	50501	50526	50502	50544	50557	50558	50687	50555	50710	50688	50710	50712
(Millions of dollars)												
1947	2,723	2,535	188	939	1,057	70	–21	49	–721	4	—	–668
1948	3,030	2,598	432	1,015	1,022	425	26	451	43	–2	—	492
1949	2,989	2,696	293	1,015	1,157	151	26	177	–29	–20	—	128
1950	3,139	3,132	7	1,019	1,360	–334	15	–319	610	431	—	722
1951	3,950	4,101	–151	1,102	1,479	–528	16	–512	666	–98	—	56
1952	4,339	3,854	485	1,217	1,516	186	1	187	455	–605	—	37
1953	4,152	4,212	–60	1,216	1,594	–438	–10	–448	649	–239	—	–38
1954	3,934	3,916	18	1,191	1,627	–418	–6	–424	599	–51	—	124
1955	4,332	4,543	–211	1,405	1,847	–653	–34	–687	414	229	—	–44
1956	4,837	5,565	–728	1,500	2,099	–1,327	–45	–1,372	1,490	–70	—	48
1957	4,894	5,488	–594	1,472	2,278	–1,400	–51	–1,451	1,320	26	—	–105
1958	4,890	5,066	–176	1,420	2,256	–1,012	–125	–1,137	1,153	93	—	109
1959	5,151	5,572	–421	1,503	2,456	–1,374	–113	–1,487	1,179	297	—	–11
1960	5,392	5,540	–148	1,590	2,549	–1,107	–126	–1,233	929	265	—	–39
1961	5,889	5,716	173	1,735	2,764	–856	–72	–928	930	290	—	292
1962	6,387	6,203	184	1,847	2,842	–811	–19	–830	688	296	—	154
1963	7,082	6,579	503	1,986	2,982	–493	–28	–521	637	29	—	145
1964	8,238	7,537	701	2,265	3,376	–410	–14	–424	750	38	—	364
1965	8,745	8,627	118	2,437	3,714	–1,159	29	–1,130	833	455	—	158
1966	10,326	10,102	224	2,719	4,157	–1,214	52	–1,162	1,228	–425	—	–359
1967	11,338	10,772	566	3,325	4,462	–571	72	–499	1,415	–896	—	20
1968	13,720	12,249	1,471	3,070	4,822	–281	184	–97	1,669	–1,223	—	349
1969	15,035	14,071	964	3,695	5,719	–1,060	143	–917	2,337	–1,355	—	65
1970	16,921	13,869	3,052	4,246	6,345	953	153	1,106	1,007	–583	133	1,663
1971	17,877	15,314	2,563	4,304	6,702	165	266	431	664	–318	119	896
1972	20,129	18,272	1,857	4,451	6,978	–670	284	–386	1,588	–983	117	336
1973	25,461	22,726	2,735	5,257	8,228	–236	344	108	628	–1,203	—	–467
1974	32,591	30,902	1,689	6,401	10,107	–2,017	557	–1,460	1,041	443	—	24
1975	33,511	33,962	–451	6,941	11,627	–5,137	380	–4,757	3,935	417	—	–405
1976	37,995	36,607	1,388	7,606	13,366	–4,372	530	–3,842	8,007	–3,643	—	522
1977	44,253	41,523	2,730	8,295	15,739	–4,714	413	–4,301	4,217	–1,337	—	–1,421
1978	53,054	49,047	4,007	9,931	18,923	–4,985	50	–4,935	3,111	–1,475	—	–3,299
1979	65,275	61,157	4,118	11,906	21,652	–5,626	664	–4,962	1,905	4,746	219	1,908
1980	76,772	68,284	8,488	14,172	25,003	–2,343	1,247	–1,096	907	–1,308	217	–1,280
1981	84,221	76,870	7,351	15,247	29,505	–6,907	1,561	–5,346	558	6,004	210	1,426
1982	84,486	66,740	17,746	15,909	32,410	1,245	1,424	2,669	8,561	–11,925	—	–695

⁽¹⁾ Includes net errors and omissions.

⁽²⁾ Net official monetary movements include transactions in official international reserves and official monetary liabilities.

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*, cat. 67-001.

Reference Table 69

**Bilateral Payments Balance with the United States
1947 – 1982**

Year	Merchandise trade balance	Balance on goods and services	Balance on current account	Net capital movements inflows and outflows (–)		Net balance
				Long-term forms	Short-term forms	
D	51551	51558	51555	51687	51688	51690
(Millions of dollars)						
1947	– 890	– 1,115	– 1,134	– 158	– 5	– 1,297
1948	– 289	– 374	– 393	126	– 15	– 282
1949	– 378	– 575	– 601	116	– 52	– 537
1950	– 50	– 369	– 385	625	220	460
1951	– 520	– 922	– 945	560	– 66	– 451
1952	– 473	– 791	– 830	387	– 104	– 547
1953	– 590	– 869	– 907	440	– 75	– 542
1954	– 440	– 762	– 800	395	54	– 351
1955	– 685	– 981	– 1,029	209	127	– 693
1956	– 1,167	– 1,583	– 1,650	1,034	– 167	– 783
1957	– 947	– 1,497	– 1,579	963	– 263	– 879
1958	– 532	– 1,109	– 1,167	950	– 16	– 233
1959	– 536	– 1,149	– 1,221	927	68	– 226
1960	– 673	– 1,266	– 1,359	746	127	– 486
1961	– 615	– 1,257	– 1,341	953	205	– 183
1962	– 438	– 1,019	– 1,092	680	536	124
1963	– 488	– 1,070	– 1,148	843	– 49	– 354
1964	– 808	– 1,565	– 1,635	943	580	– 112
1965	– 1,041	– 1,883	– 1,937	1,074	– 398	– 1,261
1966	– 993	– 2,001	– 2,030	1,393	– 291	– 928
1967	– 569	– 1,301	– 1,342	1,317	– 265	– 290
1968	389	– 744	– 747	1,151	– 639	– 235
1969	472	– 877	– 845	1,669	– 239	585
1970	1,121	– 227	– 165	989	47	871
1971	1,445	– 215	– 86	877	1,867	2,658
1972	1,513	– 272	– 137	1,059	– 201	721
1973	1,242	– 930	– 834	1,134	– 605	– 305
1974	1,001	– 1,639	– 1,530	1,653	1,628	1,751
1975	– 1,125	– 4,903	– 4,810	3,292	2,104	586
1976	519	– 4,165	– 4,090	4,636	– 15	531
1977	1,496	– 4,161	– 4,115	2,227	453	– 1,435
1978	2,580	– 4,549	– 4,474	2,692	2,171	389
1979	295	– 7,977	– 7,880	642	3,048	– 4,190
1980	1,325	– 8,205	– 8,061	516	– 3,334	– 10,879
1981	3,545	– 7,730	– 7,586	– 1,234	12,483	3,663
1982	11,070	– 1,192	– 1,045	1,645	– 4,887	– 4,287

Note: Since errors and omissions are excluded, the regional breakdown of Canada's balance of international payments will not equal the total for transactions with all countries.

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*.

Reference Table 70

**Bilateral Payments Balance with the Rest of the World
1947 – 1982**

Year	Merchandise trade balance	Balance on goods and services	Balance on current account	Net capital movements inflows and outflows(—)		Special Drawing Rights allocations	Net balance
				Long-term forms	Short-term forms		
(Millions of dollars)							
1947	1,078	1,147	1,183	— 563	9	—	629
1948	721	773	844	— 83	13	—	774
1949	671	702	778	— 145	32	—	665
1950	57	5	66	— 15	110	—	161
1951	369	356	433	106	— 94	—	445
1952	958	977	1,017	68	— 112	—	973
1953	530	431	459	209	2	—	670
1954	458	344	376	204	— 35	—	545
1955	474	328	342	205	72	—	619
1956	439	256	278	456	73	—	708
1957	353	97	128	357	47	—	532
1958	356	97	30	203	— 2	—	231
1959	115	— 225	— 266	252	— 88	—	— 102
1960	525	159	126	183	37	—	346
1961	788	401	413	— 23	— 72	—	318
1962	622	208	262	8	— 95	—	175
1963	991	577	627	— 206	46	—	467
1964	1,509	1,155	1,211	— 193	— 655	—	363
1965	1,159	724	807	— 241	1,092	—	1,658
1966	1,217	787	868	— 165	48	—	751
1967	1,135	730	843	98	— 130	—	811
1968	1,082	463	650	518	200	—	1,368
1969	492	— 183	— 72	668	— 897	—	— 301
1970	1,931	1,180	1,271	18	— 243	133	1,046
1971	1,118	380	517	— 213	— 837	119	— 533
1972	344	— 398	— 249	529	673	117	953
1973	1,493	694	942	— 506	52	—	488
1974	688	— 378	70	— 612	— 318	—	— 860
1975	674	— 234	53	643	— 484	—	212
1976	869	— 207	248	3,371	84	—	3,703
1977	1,234	— 553	— 186	1,990	215	—	2,019
1978	1,427	— 436	— 461	419	— 934	—	— 976
1979	3,823	2,351	2,918	1,263	3,867	219	8,048
1980	7,163	5,862	6,965	391	2,604	217	9,960
1981	3,806	823	2,240	1,792	2,589	210	6,621
1982	6,676	2,437	3,714	6,916	— 4,524	—	6,106

Note: Since errors and omissions are excluded, the regional breakdown of Canada's balance of international payments will not equal the total for transactions with all countries.

Reference Table 71
International Payments: Current Account
1947 – 1982

Year	Current receipts							Total current receipts
	Merchandise exports (adjusted)	Gold production available for export	Travel	Interest and dividends	Freight and shipping	Other service receipts	Transfer receipts	
D	50501	50505	50506	50508	50512	50516		50525
(Millions of dollars)								
1947	2,723	99	251	64	322	203	121	3,783
1948	3,030	119	279	70	336	211	143	4,188
1949	2,989	139	285	83	303	205	132	4,136
1950	3,139	163	275	94	284	203	126	4,284
1951	3,950	150	274	115	351	212	151	5,203
1952	4,339	150	275	152	383	269	160	5,728
1953	4,152	144	302	164	318	300	167	5,547
1954	3,934	155	305	147	313	283	169	5,306
1955	4,332	155	328	161	398	375	177	5,926
1956	4,837	147	337	142	457	430	194	6,544
1957	4,894	144	363	153	445	380	233	6,612
1958	4,890	157	349	167	401	365	171	6,500
1959	5,151	148	391	180	420	384	213	6,887
1960	5,392	162	420	171	442	393	235	7,215
1961	5,889	162	482	213	486	390	282	7,904
1962	6,387	155	562	202	509	419	314	8,548
1963	7,082	154	609	230	563	430	348	9,416
1964	8,238	145	662	332	644	482	384	10,887
1965	8,745	138	747	322	668	562	466	11,648
1966	10,326	127	840	318	758	676	555	13,600
1967	11,338	112	1,318	295	830	770	640	15,303
1968	13,720	33	953	353	891	840	674	17,464
1969	15,035	—	1,047	451	935	1,262	695	19,425
1970	16,921	—	1,206	528	1,126	1,386	765	21,932
1971	17,877	—	1,246	558	1,184	1,316	870	23,051
1972	20,129	—	1,230	665	1,241	1,315	903	25,483
1973	25,461	—	1,446	790	1,494	1,527	1,058	31,776
1974	32,591	—	1,694	882	1,812	2,013	1,360	40,352
1975	33,511	—	1,815	926	1,714	2,486	1,388	41,840
1976	37,995	—	1,930	825	2,082	2,769	1,509	47,110
1977	44,253	—	2,025	874	2,371	3,025	1,555	54,103
1978	53,054	—	2,378	1,208	2,714	3,631	1,592	64,577
1979	65,275	—	2,887	1,271	3,469	4,279	2,001	79,182
1980	76,772	—	3,349	1,577	3,966	5,280	2,671	93,615
1981	84,221	—	3,760	1,631	4,279	5,577	3,075	102,543
1982	84,486	—	3,724	1,305	4,170	6,710	3,165	103,560

Reference Table 71 (continued)
International Payments: Current Account
1947 – 1982

Year	Current payments							Total current payments
	Merchandise imports (adjusted)	Travel	Interest and dividends	Freight and shipping	Other service payments	Official contributions	Other transfer payments	
D	50526	50531	50533	50537	50545	50542		50550
(Millions of dollars)								
1947	2,535	167	337	278	275	38	104	3,734
1948	2,598	134	325	279	284	23	94	3,737
1949	2,696	193	390	253	321	6	100	3,959
1950	3,132	226	475	301	358	5	106	4,603
1951	4,101	280	452	354	405	9	114	5,715
1952	3,854	341	413	375	398	16	144	5,541
1953	4,212	365	406	374	461	25	152	5,995
1954	3,916	389	424	356	470	11	164	5,730
1955	4,543	449	473	415	510	24	199	6,613
1956	5,565	498	524	502	575	30	222	7,916
1957	5,488	525	594	515	645	40	256	8,063
1958	5,066	542	614	460	639	53	263	7,637
1959	5,572	598	671	525	662	72	274	8,374
1960	5,540	627	656	533	733	61	298	8,448
1961	5,716	642	764	568	790	56	296	8,832
1962	6,203	605	783	595	859	36	297	9,378
1963	6,579	585	860	648	889	65	311	9,937
1964	7,537	712	1,010	679	975	69	329	11,311
1965	8,627	796	1,086	761	1,071	93	344	12,778
1966	10,102	900	1,140	823	1,294	166	337	14,726
1967	10,772	895	1,211	861	1,495	182	386	15,802
1968	12,249	982	1,259	931	1,650	133	357	17,561
1969	14,071	1,261	1,366	996	2,096	144	408	20,342
1970	13,869	1,422	1,550	1,106	2,267	201	411	20,826
1971	15,314	1,448	1,699	1,196	2,359	201	403	22,620
1972	18,272	1,464	1,713	1,315	2,486	227	392	25,869
1973	22,726	1,742	2,050	1,560	2,876	253	461	31,668
1974	30,902	1,978	2,435	2,036	3,658	332	471	41,812
1975	33,962	2,542	2,879	2,147	4,059	513	495	46,597
1976	36,607	3,121	3,323	2,232	4,690	455	524	50,952
1977	41,523	3,666	4,532	2,397	5,144	543	599	58,404
1978	49,047	4,084	5,904	2,583	6,352	910	632	69,512
1979	61,157	3,955	6,512	3,160	8,023	645	692	84,144
1980	68,284	4,577	6,961	3,430	10,035	680	744	94,711
1981	76,870	4,876	8,105	3,792	12,732	718	796	107,889
1982	66,740	5,006	10,608	3,275	13,521	878	863	100,891

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*.

Reference Table 72
Merchandise Trade Detail: Exports
1963 – 1982

Year	Wheat	Animals and other edible products	Ores and concentrates	Crude petroleum and natural gas	Other crude materials	Lumber	Woodpulp	Newsprint
D	3609					3629	3631	3632
(Millions of dollars)								
1963	787	675	703	310	414	452	405	760
1964	1,024	817	803	360	453	477	461	835
1965	840	869	863	384	517	490	493	870
1966	1,061	906	934	430	583	474	520	968
1967	742	902	1,016	522	571	505	543	955
1968	684	929	1,262	600	605	656	628	990
1969	473	992	1,138	702	623	697	754	1,126
1970	687	1,181	1,522	855	707	664	785	1,111
1971	833	1,279	1,415	1,038	811	830	798	1,085
1972	927	1,428	1,397	1,315	848	1,174	830	1,158
1973	1,221	1,937	2,000	1,833	1,192	1,599	1,082	1,288
1974	2,065	1,806	2,376	3,914	1,504	1,290	1,889	1,726
1975	2,023	2,124	2,241	4,144	1,581	973	1,835	1,746
1976	1,732	2,563	2,512	3,903	1,872	1,649	2,186	2,003
1977	1,881	2,727	2,730	3,779	2,341	2,387	2,158	2,382
1978	1,913	3,389	2,404	3,763	2,664	3,229	2,181	2,886
1979	2,180	4,134	3,895	5,294	3,350	3,901	3,083	3,222
1980	3,862	4,401	4,210	6,883	3,667	3,353	3,873	3,684
1981	3,728	5,713	4,084	6,875	4,251	2,989	3,820	4,326
1982	4,286	5,937	3,187	7,483	4,105	2,911	3,234	4,080
	Fabricated metals	Other fabricated materials	Motor vehicles and parts	Other machinery and equipment	Consumer goods and miscellaneous	Re-exports	Total	
			3653					3471
(Millions of dollars)								
1963	918	572	88	589	127	182	6,980	
1964	1,049	680	177	811	147	209	8,303	
1965	1,138	738	356	811	157	242	8,767	
1966	1,227	823	1,012	956	195	255	10,043	
1967	1,368	858	1,739	1,167	234	298	11,420	
1968	1,605	975	2,672	1,340	303	373	13,624	
1969	1,499	1,087	3,514	1,595	244	428	14,871	
1970	1,996	1,311	3,499	1,666	418	419	16,820	
1971	1,678	1,406	4,171	1,660	393	422	17,818	
1972	1,716	1,700	4,718	2,014	446	479	20,150	
1973	2,084	2,171	5,415	2,455	562	583	25,421	
1974	2,760	3,030	5,717	2,868	732	767	32,442	
1975	2,475	2,855	6,432	3,399	720	780	33,328	
1976	3,015	3,375	8,225	3,670	946	825	38,475	
1977	3,543	4,458	10,424	3,975	901	870	44,554	
1978	4,684	6,175	12,540	5,230	1,201	924	53,183	
1979	5,251	8,919	11,900	7,295	1,895	1,324	65,641	
1980	8,112	10,323	10,924	8,507	2,648	1,713	76,159	
1981	7,734	11,662	13,084	9,967	2,971	2,475	83,678	
1982	6,781	10,893	16,382	9,956	2,478	2,690	84,403	

Source: Statistics Canada, *Summary of External Trade*, cat. 65-001.

Reference Table 73
Merchandise Trade Detail: Imports
1963 – 1982

Year	Animals and edible products	Crude petroleum	Other crude materials	Fabricated materials	Motor vehicles and parts	Other machinery and equipment	Other end products and miscellaneous	Total
D		3745		3746	3774			3535
(Millions of dollars)								
1963	780	335	563	1,571	669	1,882	759	6,558
1964	795	321	640	1,813	818	2,190	911	7,488
1965	770	312	694	2,114	1,125	2,573	1,045	8,633
1966	805	299	724	2,233	1,581	3,048	1,382	10,072
1967	884	356	707	2,310	2,168	3,341	1,106	10,873
1968	918	373	754	2,435	3,001	3,477	1,401	12,358
1969	1,063	393	692	2,905	3,546	4,031	1,500	14,130
1970	1,116	415	757	2,886	3,252	3,991	1,536	13,952
1971	1,157	541	781	3,140	4,110	4,328	1,650	15,617
1972	1,401	681	859	3,579	4,934	5,184	2,032	18,669
1973	1,981	943	1,075	4,282	6,081	6,477	2,487	23,325
1974	2,516	2,646	1,426	6,482	7,124	8,414	3,113	31,722
1975	2,682	3,302	1,784	5,944	8,236	9,296	3,472	34,716
1976	2,871	3,280	1,811	6,211	9,440	9,641	4,240	37,494
1977	3,307	3,215	2,105	6,993	11,576	10,606	4,561	42,363
1978	3,782	3,457	2,425	8,748	13,386	13,115	5,195	50,108
1979	4,236	4,497	3,473	12,024	15,161	17,156	6,324	62,871
1980	4,803	6,919	4,425	12,708	13,609	19,725	7,084	69,274
1981	5,239	7,861	4,309	14,552	15,996	23,120	8,052	79,129
1982	4,940	4,973	3,723	11,794	14,898	19,391	7,911	67,629

Source: Statistics Canada, *Summary of External Trade*.

Reference Table 74
International Payments: Capital Movements
1950 – 1982

Year	Direct investment in Canada	Direct investment abroad	Canadian securities				Foreign securities (Net)	Loans and capital subscriptions by Government of Canada		Export credits at risk of govt.	Other long-term capital transactions
			New issues	Retirements	Trade in outstanding bonds and debentures	Trade in outstanding common and preference stocks		Advances	Repayments		
D	50560	50564			65000	50576			50629	50632	50650
(Millions of dollars)											
1950.....	225	35	210	-284	—	329	76	-50	74	—	-5
1951.....	320	-30	411	-184	—	38	15	—	68	—	28
1952.....	360	-85	323	-89	-168	73	-11	—	56	—	-4
1953.....	450	-70	335	-146	-52	21	-1	—	87	—	11
1954.....	425	-90	333	-205	-66	129	-24	—	72	—	25
1955.....	445	-85	166	-185	-165	137	-5	—	69	—	37
1956.....	650	-105	667	-141	11	187	-3	-4	69	—	159
1957.....	545	-80	800	-134	-45	142	1	-1	50	—	42
1958.....	430	-40	688	-158	—	88	1	-34	64	—	114
1959.....	570	-85	709	-258	92	110	-34	-1	34	—	38
1960.....	670	-50	448	-266	3	51	-19	-11	32	—	60
1961.....	560	-80	548	-301	61	39	-35	-8	38	—	103
1962.....	505	-105	729	-319	64	-115	-65	-22	129	-63	-64
1963.....	280	-135	984	-404	39	-170	22	-18	25	-72	75
1964.....	270	-95	1,100	-382	77	-98	-52	-10	10	-164	46
1965.....	535	-125	1,240	-390	55	-274	-85	-14	10	-187	54
1966.....	790	-5	1,465	-499	-104	-136	-401	-35	24	-41	144
1967.....	691	-125	1,307	-357	-57	12	-432	-38	34	107	229
1968.....	590	-225	1,917	-431	-70	114	-467	-78	5	29	197
1969.....	720	-370	2,089	-440	2	53	102	-89	22	-12	228
1970.....	905	-315	1,230	-552	-40	-145	70	-145	36	-129	61
1971.....	925	-230	1,191	-845	-96	-142	196	-190	36	-230	25
1972.....	620	-400	1,722	-603	292	-59	244	-249	37	-246	230
1973.....	830	-770	1,323	-738	29	-24	69	-269	43	-189	323
1974.....	845	-810	2,423	-626	41	-112	46	-350	39	-573	118
1975.....	725	-915	5,038	-851	302	5	-17	-377	38	-355	342
1976.....	-300	-590	9,027	-936	559	-79	79	-436	18	-210	875
1977.....	475	-740	5,889	-930	243	-91	221	-539	36	-523	176
1978.....	85	-2,150	6,417	-1,314	35	-396	25	-509	262	-881	1,537
1979.....	675	-2,500	5,136	-2,170	476	360	-582	-552	33	-877	1,906
1980.....	585	-3,150	5,542	-2,384	1,071	987	-181	-519	37	-1,186	105
1981.....	-4,600	-5,900	13,493	-2,953	1,267	-1,181	-95	-628	41	-829	1,943
1982.....	-1,425	200	16,033	-3,653	-130	-538	-433	-488	43	-2,275	1,227

Reference Table 74 (continued)
International Payments: Capital Movements
1950 – 1982

Year	Change in certain Canadian assets of non-residents							Net capital movements excluding monetary items shown in the following columns ⁽²⁾	Special Drawing Rights allocations	Net official monetary assets		
	Canadian dollar deposits	Government of Canada demand liabilities	Treasury bills	Short-term paper ⁽¹⁾	Other finance company obligations	Residential holdings of foreign currencies	All other transactions			Net errors and omissions	Official international reserves	Official international liabilities
D	50652	56654	50656		50676		50686	50693		50710	50713	50714
(Millions of dollars)												
1950.....	235	-4	-3	—	—	11	91	101	1,041	—	722	—
1951.....	-190	-8	2	—	—	-14	50	62	568	—	56	—
1952.....	-66	-5	1	—	35	-165	-16	-389	-150	—	37	—
1953.....	-22	-11	-2	—	-2	-80	44	-166	410	—	-38	—
1954.....	27	-15	8	—	10	-75	14	-70	548	—	124	—
1955.....	60	-9	29	—	23	91	5	30	643	—	-44	—
1956.....	-30	—	3	—	64	-216	85	24	1,420	—	48	—
1957.....	-15	—	-18	—	4	-274	87	242	1,346	—	-105	—
1958.....	39	45	21	—	24	-58	-89	111	1,246	—	109	—
1959.....	10	-8	14	—	68	-119	15	317	1,476	—	-11	—
1960.....	79	-12	56	—	59	-60	42	101	1,194	—	-39	—
1961.....	33	-2	-58	—	95	142	-77	157	1,220	—	296	-4
1962.....	-10	-4	4	—	119	92	240	-145	984	—	307	-153
1963.....	43	1	-27	70	35	-259	134	32	666	—	56	89
1964.....	28	—	-16	185	52	-329	5	113	788	—	297	67
1965.....	31	2	12	-152	209	415	177	-239	1,289	—	158	—
1966.....	11	5	-15	3	154	-520	119	-182	803	—	-360	1
1967.....	24	-4	4	-51	35	-362	-41	-501	519	—	17	3
1968.....	72	21	48	-132	24	-449	-23	-784	446	—	350	-1
1969.....	52	-34	20	218	116	-1,434	-74	-219	982	—	65	—
1970.....	26	-7	-79	310	-109	-154	-183	-387	424	133	1,662	1
1971.....	95	50	-3	77	-25	854	-18	-1,348	346	119	896	—
1972.....	139	27	22	-181	-30	448	47	-1,455	605	117	336	—
1973.....	143	77	-24	140	12	-519	-382	-650	-575	—	-467	—
1974.....	597	45	77	80	158	236	117	-867	1,484	—	24	—
1975.....	561	-4	37	350	-89	272	493	-1,203	4,352	—	-405	—
1976.....	156	7	440	533	47	-1,289	175	-3,712	4,364	—	522	—
1977.....	230	172	242	220	-55	729	-870	-2,005	2,880	—	-1,421	—
1978.....	37	55	-53	86	-40	2,104	-952	-2,712	1,636	—	-185	-3,114
1979.....	524	217	-178	675	0	4,179	1,498	-2,169	6,651	219	-858	2,766
1980.....	-60	171	542	508	70	917	-2,878	-578	-401	217	-542	-738
1981.....	1,401	164	-2	1,217	471	11,229	592	-9,068	6,562	210	382	1,044
1982.....	-731	-26	127	-972	54	-7,428	-435	-2,514	-3,364	—	-666	-29

(1) Included in "all other transactions" for 1950 and 1951; included in "other finance company obligations" from 1952 to 1962.

(2) Includes net errors and omissions.

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*.

Reference Table 75

**Net Proceeds from New Issues of Canadian Securities to Non-Residents
1947 – 1982**

Year	Government of Canada bonds (including guaranteed)			Provincial government bonds (including guaranteed)			Municipal government bonds			Total government bonds		
	New issues	Retire- ments	Net proceeds	New issues	Retire- ments	Net proceeds	New issues	Retire- ments	Net proceeds	New issues	Retire- ments	Net proceeds
D	65006	65011		65007	65012		65008	65013				
(Millions of dollars)												
1947.....	n.a.	39	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	39	n.a.
1948.....	150	36	144	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	150	36	114
1949.....	99	96	3	n.a.	n.a.	n.a.	6	n.a.	n.a.	105	96	9
1950.....	62	159	-97	96	n.a.	n.a.	20	n.a.	n.a.	178	159	19
1951.....	7	94	-87	262	43	219	72	12	60	341	149	192
1952.....	1	18	-17	107	38	69	55	17	38	163	73	90
1953.....	6	84	-78	143	28	115	76	15	61	225	127	98
1954.....	8	69	-61	126	63	63	46	28	18	180	160	20
1955.....	5	100	-95	3	19	-16	44	18	26	52	137	-85
1956.....	9	83	-74	224	15	209	112	18	94	345	116	229
1957.....	16	29	-13	136	25	111	123	24	99	275	78	197
1958.....	76	25	51	168	45	123	148	30	118	392	100	292
1959.....	56	101	-45	334	41	293	157	33	124	547	175	372
1960.....	30	58	-28	103	57	46	135	38	97	268	153	115
1961.....	37	48	-11	66	24	42	47	38	9	150	110	40
1962.....	156	86	70	148	22	126	74	41	33	378	149	229
1963.....	173	76	97	343	70	273	62	77	-15	578	223	355
1964.....	43	88	-45	439	66	373	182	58	129	664	207	457
1965.....	28	85	-57	297	31	266	84	53	31	409	169	240
1966.....	32	203	-171	448	64	384	177	96	81	657	364	293
1967.....	20	95	-75	762	61	701	173	52	121	955	208	747
1968.....	288	57	231	852	76	776	124	60	64	1,264	193	1,071
1969.....	40	83	-43	1,063	91	972	177	88	89	1,280	262	1,018
1970.....	26	157	-131	528	112	416	65	92	-27	619	361	258
1971.....	28	31	-3	725	317	408	26	99	-73	779	447	332
1972.....	30	44	-14	1,140	220	920	169	98	71	1,339	362	977
1973.....	18	110	-92	857	234	623	109	117	-8	989	461	523
1974.....	14	55	-41	1,713	211	1,502	234	96	138	1,961	362	1,599
1975.....	46	92	-46	3,334	342	2,992	541	82	459	3,921	516	3,405
1976.....	368	147	221	4,939	308	4,631	779	121	658	6,086	576	5,510
1977.....	719	146	573	3,083	312	2,771	368	99	269	4,170	557	3,613
1978.....	2,897	210	2,687	2,022	586	1,436	124	193	-69	5,043	989	4,054
1979.....	1,738	211	1,527	1,908	916	922	177	429	-252	3,823	1,556	2,267
1980.....	1,241	275	966	1,442	1,068	374	259	362	-103	2,945	1,705	1,237
1981.....	1,845	448	1,397	6,316	1,002	5,314	423	231	192	8,584	1,681	6,903
1982.....	3,847	832	3,015	7,377	1,518	5,859	698	244	454	11,922	2,594	9,328

Reference Table 75 (continued)

Net Proceeds from New Issues of Canadian Securities to Non-Residents 1947 – 1982

Year	Bonds and debentures of corporations			Total bonds and debentures			Common and preference stocks			Total securities		
	New issues	Retire-ments	Net proceeds	New issues	Retire-ments	Net proceeds	New issues	Retire-ments	Net proceeds	New issues	Retire-ments	Net proceeds
D	65009	65014		65005	65010		50586	50587				
(Millions of dollars)												
1947.....	n.a.	n.a.	n.a.	95	n.a.	n.a.	n.a.	n.a.	n.a.	95	364	– 269
1948.....	n.a.	n.a.	n.a.	150	n.a.	n.a.	n.a.	n.a.	n.a.	150	114	36
1949.....	n.a.	n.a.	n.a.	105	n.a.	n.a.	n.a.	n.a.	n.a.	205	147	58
1950.....	28	n.a.	n.a.	206	n.a.	n.a.	n.a.	n.a.	n.a.	206	284	– 78
1951.....	28	n.a.	n.a.	369	n.a.	n.a.	42	7	35	411	184	227
1952.....	136	15	121	299	88	211	24	1	23	323	89	234
1953.....	64	13	51	289	140	149	46	6	40	335	146	189
1954.....	133	35	98	313	195	118	20	10	10	333	205	128
1955.....	51	41	10	103	178	– 75	63	7	56	166	185	– 19
1956.....	252	20	232	597	136	461	70	5	65	667	141	526
1957.....	464	31	433	739	109	630	61	25	36	800	134	666
1958.....	253	42	211	645	142	503	43	16	27	688	158	530
1959.....	114	66	48	661	241	420	48	17	31	709	258	451
1960.....	154	104	50	422	257	165	26	9	17	448	266	182
1961.....	354	136	218	504	246	258	44	55	– 11	548	301	247
1962.....	331	140	191	709	289	420	20	30	– 10	729	319	420
1963.....	392	101	291	970	324	646	14	80	– 66	984	404	580
1964.....	414	117	297	1,078	324	754	22	58	– 36	1,100	382	718
1965.....	807	214	593	1,216	383	833	24	7	17	1,240	390	850
1966.....	751	131	620	1,408	495	913	57	4	53	1,465	499	966
1967.....	315	148	167	1,270	356	914	37	1	36	1,307	357	950
1968.....	586	233	353	1,850	426	1,424	67	5	62	1,917	431	1,486
1969.....	597	176	421	1,877	438	1,439	212	2	210	2,089	440	1,649
1970.....	541	187	354	1,160	548	612	70	4	66	1,230	552	678
1971.....	391	393	– 2	1,170	840	330	21	5	16	1,191	845	346
1972.....	345	239	106	1,684	601	1,083	38	2	36	1,722	603	1,119
1973.....	300	275	25	1,284	736	548	39	2	37	1,323	738	585
1974.....	448	223	225	2,409	585	1,824	14	41	– 27	2,423	626	1,797
1975.....	1,031	331	700	4,952	847	4,105	86	4	82	5,038	851	4,187
1976.....	2,860	303	2,557	8,946	879	8,067	81	57	24	9,027	936	8,091
1977.....	1,706	346	1,360	5,876	903	4,973	13	27	– 14	5,889	930	4,959
1978.....	1,249	325	924	6,292	1,314	4,978	125	0	125	6,417	1,314	5,103
1979.....	1,145	613	532	4,968	2,169	2,799	168	1	167	5,136	2,170	2,966
1980.....	2,102	677	1,425	5,044	2,382	2,662	498	2	496	5,542	2,384	3,158
1981.....	4,472	1,270	3,202	13,056	2,951	10,105	437	2	435	13,493	2,953	10,540
1982.....	3,933	1,051	2,882	15,855	3,645	12,210	178	8	170	16,033	3,653	12,380

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*.

Reference Table 76

Canadian Chartered Banks' Head Office and Branches in Canada
Net Change in Foreign Currency Positions⁽¹⁾
1964 – 1982

Year	With U.S. residents:			Other non-residents:			Total non-residents:			With Canadian residents:			Changes in banks' own positions
	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	
(Millions of dollars)													
1964	40	327	-287	691	101	590	731	428	303	197	532	-335	-32
1965	-208	-727	519	-440	505	-945	-648	-222	-426	276	-107	383	-43
1966	208	-309	517	-2	48	-50	206	-261	467	84	401	-317	150
1967	273	76	197	375	188	187	648	264	384	-103	363	-466	-82
1968	168	-296	464	725	701	24	893	405	488	-49	189	-238	250
1969	815	338	477	1,395	1,366	29	2,210	1,704	506	215	1,237	-1,022	-516
1970 ⁽²⁾	-33	22	-55	1,389	1,212	177	1,356	1,234	122	216	101	115	237
1971	-933	592	-1,525	318	197	121	-615	789	-1,404	-43	-1,470	1,427	23
1972	-87	175	-262	1,288	1,663	-375	1,201	1,838	-637	-100	-89	-11	-648
1973	528	265	263	3,211	3,131	80	3,739	3,396	343	175	1,406	-1,231	-888
1974	-47	1,026	-1,073	1,492	-935	2,427	1,445	91	1,354	1,116	1,997	-881	473
1975	-652	833	-1,485	558	-438	996	-94	395	-489	569	-513	1,082	593
1976	884	275	609	2,407	2,075	332	3,291	2,350	941	498	1,789	-1,291	-350
1977	-31	851	-882	838	1,340	-502	807	2,191	-1,384	2,217	843	1,374	-10
1978	2,238	4,324	-2,086	1,881	2,566	-685	4,119	6,890	-2,771	5,442	3,425	2,017	-754
1979	672	2,526	-1,854	3,739	5,992	-2,253	4,411	8,518	-4,107	1,178	-572	1,750	-2,357
1980	5,689	4,134	1,555	6,251	9,212	-2,961	11,940	13,346	-1,406	2,741	1,079	1,662	256
1981	-473	8,762	-9,235	2,993	11,723	-8,730	2,520	20,485	-17,965	11,117	-4,344	15,461	-2,504
1982	128	-734	862	-162	-3,676	3,514	-34	-4,410	4,376	2,942	2,459	483	4,859

⁽¹⁾ Adjusted for variations in exchange rates.

⁽²⁾ Commencing with September 30, 1970, changes in assets and liabilities with residents of Puerto Rico and the U.S. Virgin Islands are included with residents of the United States instead of with other non-residents.

Source: Statistics Canada, *Quarterly Estimates of the Canadian Balance of International Payments*.

Reference Table 77

Canada's Reserve Position with the International Monetary Fund⁽¹⁾
1946 – 1982

Year	IMF transactions with Canada				Canadian loans to IMF	IMF transactions with other countries in Canadian dollars	Reserve position at end of period
	Increases in subscription ⁽²⁾	Drawings(-) and repayments	Sales of gold and SDRs	Other			
	(Millions of SDRs ⁽³⁾)						
1946-1960	137.5	—	—	—	—	14.9	152.5
1961	—	—	-25.0	—	—	84.6	212.1
1962	—	-300.0	—	—	—	-50.3	-138.2
1963	—	79.7	—	—	—	—	-58.5
1964	—	166.0	-9.0	—	—	99.0	197.5
1965	—	—	-27.5	—	—	183.4	353.4
1966	47.5	—	—	—	—	47.6	448.5
1967	—	—	—	—	—	-15.1	433.4
1968	—	-361.2	—	2.8	—	131.2	206.2
1969	—	—	-8.6	0.2	—	280.3	478.1
1970	90.0	—	-45.2	1.0	—	145.7	669.6
1971	—	—	-66.3	—	—	-270.7	332.6
1972	—	—	—	—	—	-16.6	315.9
1973	—	—	—	—	—	-35.5	280.4
1974	—	—	—	—	140.7	11.5	432.6
1975	—	—	—	—	106.2	14.7	553.5
1976	—	—	—	—	—	259.4	812.9
1977	—	—	-16.4	-22.1	-41.5	-31.5	701.4
1978	—	—	-8.2	14.8	-76.5	-204.1	427.4
1979	—	—	-8.2	18.5	-103.2	-38.0	296.5
1980	169.6	—	—	0.8	-13.0	—	454.0
1981	—	—	—	—	—	-108.4	345.6
1982	—	—	—	0.4	—	-12.6	335.6

⁽¹⁾ Reserve position equals the Canadian subscription plus outstanding loans to the IMF minus IMF holdings of Canadian dollars. This is the amount of foreign exchange which Canada is entitled to draw from the Fund on demand for balance of payments purposes.

⁽²⁾ Portion paid in other than Canadian dollars.

⁽³⁾ Prior to May 8, 1972 one SDR equalled one U.S. dollar. From May 8, 1972, to October 18, 1973 one SDR was equivalent to U.S. \$1.08571; from October 18, 1973 to July 1, 1974 one SDR was equivalent to U.S. \$1.20635; since the latter date the value of the SDR in terms of U.S. dollars has been determined daily on the basis of a weighted average of the market values of major currencies. Until December 1980, 16 currencies were used; on January 1, 1981, the number of currencies was reduced to five.

Source: Bank of Canada, *Review*, monthly.

Reference Table 78
Canada's Official International Reserves
1961 – 1982

End of period	Foreign currencies ⁽¹⁾		Gold	Special Drawing Rights	Reserve position in IMF	Total	Total
	U.S. dollars	Other					
B	3801	3802	3803	3804	3805	3800	
	(Millions of U.S. dollars)						(Millions of SDRs)
1961	1,123.0	10.7	946.2	—	212.1	2,292.0	2,292.0
1962	1,842.8	9.2	708.5	—	—	2,560.5	2,560.5
1963	1,786.6	9.5	817.2	—	—	2,613.3	2,613.3
1964	1,654.5	11.8	1,025.7	—	197.5	2,889.5	2,889.5
1965	1,519.9	12.8	1,150.8	—	353.4	3,036.9	3,036.9
1966	1,195.4	12.4	1,045.6	—	448.5	2,701.9	2,701.9
1967	1,255.2	13.4	1,014.9	—	433.4	2,716.9	2,716.9
1968	1,964.9	11.6	863.1	—	206.2	3,045.8	3,045.8
1969	1,743.6	12.3	872.3	—	478.1	3,106.3	3,106.3
1970	3,022.1	14.5	790.7	182.1	669.6	4,679.0	4,679.0
1971	4,060.0	13.6	791.8	371.9	332.6	5,570.4	5,570.4
1972	4,355.0	12.6	834.1	505.2	342.9	6,049.9	5,572.3
1973	3,927.2	12.2	926.9	563.7	338.2	5,768.2	4,781.5
1974	3,767.7	12.9	940.7	574.3	529.7	5,825.3	4,757.9
1975	3,207.1	15.7	899.4	555.4	648.0	5,325.6	4,549.3
1976	3,446.3	15.8	879.0	557.8	944.5	5,843.4	5,029.3
1977	2,298.7	15.8	935.6	505.3	852.1	4,607.5	3,793.1
1978	2,459.5	18.4	1,009.1	522.4	556.8	4,566.2	3,504.9
1979	1,863.9	23.9	1,022.6	585.9	390.6	3,886.9	2,950.6
1980	2,037.6	23.1	936.6	453.2	579.0	4,029.6	3,159.5
1981	2,865.3	95.8	833.7	174.0	402.4	4,371.1	3,755.4
1982	2,454.9	120.1	782.3	70.8	365.0	3,793.2	3,438.6

⁽¹⁾ Convertible foreign currency of the Exchange Fund Account, the Receiver General for Canada and the Bank of Canada.

Source: Bank of Canada and Department of Finance.

Reference Table 79
Price of Foreign Currencies in Canada
1954 – 1982

Year	Belgian franc	French franc	German mark	Italian lira	Japanese yen	Dutch guilder	Swedish krona	Swiss franc	Pound sterling	U.S. dollar
B	3402	3404	3405	3406	3407	3408	3410	3411	3412	3400
(Average of daily rates)										
1954	0.0195	0.278	0.232	0.00156	0.00270	0.257	0.188	0.227	2.734	0.973
1955	0.0196	0.282	0.234	0.00158	0.00274	0.259	0.190	0.230	2.754	0.986
1956	0.0197	0.281	0.234	0.00158	0.00273	0.257	0.190	0.230	2.752	0.984
1957	0.0191	0.256	0.228	0.00154	0.00266	0.251	0.185	0.224	2.679	0.959
1958	0.0195	0.231	0.232	0.00156	0.00270	0.257	0.188	0.226	2.728	0.971
1959	0.0192	0.196	0.230	0.00155	0.00267	0.254	0.185	0.222	2.694	0.959
1960	0.0195	0.198	0.233	0.00156	0.00270	0.257	0.188	0.225	2.723	0.970
1961	0.0203	0.207	0.252	0.00163	0.00281	0.279	0.196	0.235	2.839	1.013
1962	0.0215	0.218	0.267	0.00172	0.00297	0.297	0.207	0.247	3.001	1.069
1963	0.0216	0.220	0.271	0.00174	0.00300	0.300	0.208	0.250	3.020	1.079
1964	0.0217	0.220	0.271	0.00173	0.00300	0.299	0.209	0.250	3.012	1.079
1965	0.0217	0.220	0.270	0.00173	0.00300	0.299	0.209	0.249	3.014	1.078
1966	0.0216	0.219	0.269	0.00173	0.00298	0.298	0.209	0.249	3.009	1.077
1967	0.0217	0.219	0.271	0.00173	0.00298	0.299	0.209	0.249	2.962	1.079
1968	0.0216	0.218	0.270	0.00173	0.00299	0.298	0.209	0.250	2.579	1.077
1969	0.0215	0.208	0.275	0.00172	0.00301	0.297	0.208	0.250	2.574	1.077
1970	0.0210	0.189	0.286	0.00167	0.00292	0.289	0.201	0.242	2.502	1.044
1971	0.0208	0.183	0.291	0.00163	0.00291	0.289	0.198	0.246	2.469	1.010
1972	0.0225	0.196	0.311	0.00170	0.00327	0.309	0.208	0.259	2.479	0.991
1973	0.0258	0.226	0.378	0.00172	0.00370	0.360	0.230	0.317	2.452	1.000
1974	0.0252	0.204	0.379	0.00150	0.00336	0.365	0.221	0.330	2.288	0.978
1975	0.0277	0.238	0.414	0.00156	0.00343	0.403	0.246	0.393	2.258	1.017
1976	0.0256	0.207	0.393	0.00119	0.00333	0.373	0.227	0.395	1.781	0.986
1977	0.0297	0.217	0.459	0.00121	0.00398	0.434	0.238	0.445	1.857	1.063
1978	0.0363	0.254	0.569	0.00135	0.00548	0.529	0.253	0.644	2.191	1.141
1979	0.0399	0.276	0.639	0.00141	0.00537	0.590	0.274	0.705	2.486	1.171
1980	0.0401	0.277	0.644	0.00137	0.00519	0.589	0.277	0.698	2.721	1.169
1981	0.0324	0.222	0.532	0.00106	0.00545	0.482	0.238	0.613	2.430	1.199
1982	0.0271	0.189	0.508	0.00091	0.00497	0.462	0.198	0.609	2.158	1.234

Source: Bank of Canada.

Reference Table 80
Indexes of Exchange Rates⁽¹⁾
1970 – 1982
(1971 = 100)

Year and month	Price of Canadian dollar in			Price of U.S. dollar in		
	United States	Other G – 10 countries	Total G – 10 countries	Canada	Other G – 10 countries	Total G – 10 countries
(Average of daily rates)						
1970	96.7	99.4	97.2	103.4	102.9	103.1
1971	100.0	100.0	100.0	100.0	100.0	100.0
1972	101.9	93.5	100.4	98.1	91.1	93.6
1973	101.0	84.8	97.8	99.0	82.3	87.9
1974	103.3	90.4	100.8	96.8	85.6	89.4
1975	99.3	86.1	96.7	100.7	84.1	89.7
1976	102.4	96.2	101.3	97.6	89.7	92.5
1977	95.0	85.8	93.3	105.3	85.5	92.1
1978	88.6	68.6	84.5	112.9	72.7	85.1
1979	86.2	64.3	81.7	116.0	70.4	84.2
1980	86.4	63.7	81.7	115.8	70.3	84.0
1981	84.2	70.4	81.5	118.7	79.5	91.8
1982	81.9	77.9	81.1	122.2	90.2	100.6
1980 J.....	86.8	64.1	82.1	115.3	70.2	83.8
F.....	87.4	65.3	82.8	114.5	71.2	84.4
M.....	86.1	66.9	82.2	116.2	74.0	87.0
A.....	85.2	66.6	81.4	117.4	74.6	87.7
M.....	86.1	63.4	81.4	116.2	70.1	84.0
J.....	87.7	63.1	82.6	114.0	68.4	82.1
J.....	87.7	62.8	82.5	114.1	68.2	82.0
A.....	87.1	63.4	82.2	114.8	69.3	83.0
S.....	86.7	62.0	81.6	115.3	68.1	82.2
O.....	86.4	61.8	81.3	115.8	68.3	82.5
N.....	85.1	62.5	80.5	117.5	70.2	84.4
D.....	84.4	62.6	79.9	118.5	70.9	85.2
1981 J.....	84.8	62.4	80.2	117.9	70.4	84.6
F.....	84.2	64.8	80.3	118.7	73.6	87.4
M.....	84.8	65.8	81.0	118.0	74.2	87.6
A.....	84.8	67.7	81.4	117.9	76.3	89.2
M.....	84.1	70.1	81.4	118.9	79.7	92.0
J.....	83.9	72.3	81.6	119.2	82.2	93.9
J.....	83.4	74.5	81.7	120.0	84.9	96.1
A.....	82.6	75.2	81.2	121.1	86.5	97.6
S.....	84.1	74.4	82.2	118.9	83.7	94.9
O.....	84.0	73.5	81.9	119.1	82.7	94.3
N.....	85.0	72.6	82.6	117.6	80.7	92.3
D.....	85.2	72.7	82.8	117.4	80.7	92.3
1982 J.....	84.7	73.6	82.6	118.1	82.3	93.7
F.....	83.2	74.9	81.6	120.2	85.4	96.5
M.....	82.7	76.1	81.5	120.9	87.1	98.0
A.....	82.4	76.9	81.4	121.3	88.4	99.0
M.....	81.8	74.3	80.4	122.2	86.0	97.5
J.....	79.2	75.6	78.5	126.3	90.7	102.1
J.....	79.5	77.2	79.1	125.8	92.2	103.0
A.....	81.1	79.5	80.8	123.3	93.1	102.9
S.....	81.8	81.2	81.7	122.3	94.3	103.5
O.....	82.1	83.3	82.3	121.8	96.4	104.8
N.....	82.4	83.9	82.6	121.4	96.5	104.7
D.....	81.6	79.4	81.2	122.6	91.6	101.7

⁽¹⁾ Geometrically weighted by 1977-81 bilateral shares of trade. The Group of Ten countries comprise Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, the United Kingdom, and the United States, plus Switzerland.

Reference Table 81
Money Market and Eurodollar Rates
1978 – 1982

Month	Canada	United States	Japan	France	West Germany	United Kingdom	Netherlands	Belgium	Eurodollar: London
(Per cent)									
1978 J.....	7.13	6.45	4.79	8.88	3.37	5.81	5.11	7.56	7.31
F.....	7.30	6.46	4.80	10.18	3.34	5.96	5.45	4.12	7.27
M.....	7.73	6.32	4.62	9.96	3.55	5.94	5.33	4.64	7.26
A.....	8.19	6.31	4.14	8.48	3.53	6.77	4.56	4.04	7.38
M.....	8.13	6.43	4.06	8.08	3.54	8.40	4.65	3.63	7.83
J.....	8.26	6.71	4.11	7.76	3.55	9.15	3.99	4.06	8.31
J.....	8.71	7.07	4.44	7.43	3.40	9.22	4.10	3.85	8.52
A.....	8.80	7.04	4.39	7.25	3.23	8.90	3.47	5.06	8.50
S.....	9.17	7.84	4.25	7.20	3.51	9.00	5.59	4.93	9.11
O.....	9.85	8.13	4.18	6.99	3.07	9.92	13.56	7.41	10.15
N.....	10.36	8.79	3.93	6.89	2.67	11.51	8.76	6.96	11.52
D.....	10.46	9.12	4.57	6.67	3.56	11.57	10.29	6.45	11.58
1979 J.....	10.78	9.35	4.29	6.64	2.99	11.86	8.64	6.33	11.18
F.....	10.82	9.27	4.35	6.68	3.81	12.62	7.73	6.40	10.79
M.....	10.92	9.46	4.64	6.77	4.32	11.35	7.14	5.37	10.64
A.....	10.80	9.49	4.89	6.82	5.24	11.32	7.09	5.25	10.60
M.....	10.84	9.59	5.12	7.20	5.16	11.35	7.10	4.81	10.72
J.....	10.78	9.05	5.34	8.01	5.60	12.57	7.57	7.64	10.53
J.....	11.25	9.26	5.80	9.34	5.73	13.32	8.63	9.59	10.87
A.....	11.45	9.45	6.69	10.44	6.36	13.31	8.73	9.34	11.50
S.....	11.64	10.18	6.81	10.99	6.50	13.38	9.39	8.91	12.61
O.....	13.61	11.47	6.74	11.47	7.87	13.38	9.28	11.32	14.59
N.....	13.62	11.87	7.58	11.95	7.86	15.33	11.18	10.06	15.00
D.....	13.66	12.07	8.05	12.17	9.02	15.90	15.90	10.58	14.55
1980 J.....	13.50	12.04	8.06	11.99	8.25	15.79	11.18	11.74	14.41
F.....	13.55	12.81	8.74	12.17	8.06	16.14	10.99	9.66	16.97
M.....	15.24	15.53	10.73	12.96	8.61	16.18	9.50	12.59	19.94
A.....	15.15	14.00	12.21	12.40	9.05	16.17	10.47	14.83	13.94
M.....	11.58	9.15	12.56	12.61	9.80	16.09	11.14	13.47	9.75
J.....	10.38	7.00	12.64	12.43	10.04	15.80	10.97	11.96	9.75
J.....	10.06	8.13	12.70	12.04	9.80	14.55	10.31	11.84	9.81
A.....	10.49	9.26	12.09	11.32	8.92	14.86	10.09	9.80	12.50
S.....	10.95	10.32	11.40	11.37	9.27	14.40	9.86	9.51	13.94
O.....	11.91	11.58	11.04	11.22	9.01	14.29	9.34	9.50	15.25
N.....	13.70	13.89	9.50	10.74	8.76	13.95	9.05	10.04	18.31
D.....	17.01	15.66	9.49	10.88	9.16	13.07	8.60	9.73	17.75
1981 J.....	16.86	14.72	8.91	10.74	9.09	12.85	8.97	10.20	17.44
F.....	16.83	14.91	8.60	10.91	10.38	12.09	9.08	8.93	16.69
M.....	16.44	13.48	8.04	11.72	11.97	11.53	9.90	10.25	14.87
A.....	17.35	13.64	7.19	12.23	11.31	11.33	9.61	16.44	16.97
M.....	18.43	16.30	7.06	16.03	11.83	11.35	10.68	12.51	17.75
J.....	18.83	14.56	7.12	19.93	11.93	12.09	11.57	9.40	17.69
J.....	20.29	14.70	7.26	18.49	11.98	13.28	12.33	10.56	18.75
A.....	20.82	15.61	7.24	17.50	11.97	13.42	12.67	11.93	18.69
S.....	19.35	14.95	7.26	17.78	12.00	13.96	11.91	11.26	17.87
O.....	17.96	13.87	7.05	17.09	11.30	15.55	12.76	12.72	15.66
N.....	15.07	11.27	6.80	15.72	10.81	14.41	11.89	10.94	12.00
D.....	14.41	10.93	6.70	15.46	10.58	14.51	10.77	12.45	13.75
1982 J.....	14.34	12.41	6.64	15.25	10.46	14.06	10.18	12.27	14.62
F.....	14.58	12.78	6.68	14.56	10.27	13.56	9.98	12.00	15.00
M.....	15.07	12.49	6.61	15.72	9.87	12.49	7.76	10.21	15.47
A.....	14.98	12.82	7.15	16.81	9.33	12.84	8.43	12.56	14.87
M.....	15.18	12.15	7.28	16.41	9.18	12.63	8.87	12.90	14.44
J.....	16.33	12.11	7.37	15.86	9.28	12.27	8.14	11.59	15.66
J.....	15.25	11.91	7.40	14.84	9.46	11.73	8.78	13.05	14.36
A.....	13.70	9.01	7.44	14.68	9.00	10.53	8.51	11.63	11.63
S.....	12.73	8.20	7.31	14.28	8.18	9.88	7.37	10.43	11.78
O.....	11.21	7.75	7.19	13.64	7.58	9.22	7.24	10.98	10.41
N.....	10.72	8.04	7.22	13.17	7.30	8.91	6.29	10.32	9.79
D.....	9.80	8.01	7.19	12.90	6.60	10.29	5.19	9.29	9.72

Source: International Monetary Fund, *International Financial Statistics*.

Reference Table 82

**Details of New Issues and Retirements of Government of Canada
Marketable Bonds from January 1, 1982 to December 31, 1982**

Date	Retirements	Amount	Sub- total	Currency of Payment	New Bonds	Amount Delivered	Sub- total	Currency of Payment	Yield to Maturity (%)	Net Change in Amount Out- standing
(Millions of dollars, par value)										
February 1	9¼ % February 1, 1982	593		C	16 % August 1, 1984	150		C	16	
	9¼ % February 1, 1982	475	1,068	C	15½ % February 1, 1987 ⁽¹⁾	650	800	C	15.5	-268
March 8					7¼ % March 8, 1987	264	264	SF		-4
March 31					15 % August 1, 1984	225		C	15.10	
					15 % March 15, 1987	400		C	15.14	
					15½ % March 15, 2002	200	825	C	15.54	821
April 1	7¼ % April 1, 1982	675		C						
	9½ % June 15, 1994 ⁽²⁾	29		C						
	10 % October 1, 1995 ⁽²⁾	25		C						
	9¼ % May 15, 1997 ⁽²⁾	24		C						
	9 % October 15, 1999 ⁽²⁾	14		C						
	9¾ % December 15, 2000 ⁽²⁾	13		C						
	9½ % October 1, 2001 ⁽²⁾	33		C						
	8¾ % February 1, 2002 ⁽²⁾	6		C						
	9½ % October 1, 2003 ⁽²⁾	18	837	C						-16
April 15	5 % October 15, 1987 ⁽³⁾	1	1	U.S.						
April 29					8½ % April 30, 1989	105	105	DM		89
May 1					15 % August 1, 1984	100		C	14.91	
					15 % March 15, 1987	400		C	14.84	
					15½ % March 15, 2002	150	650	C	15.41	739
June 1					14¾ % December 15, 1984	100		C	14.94	
					14¾ % June 1, 1987	250		C	15.04	
					15 % June 1, 1992	200	550	C	15.15	1,289
June 16					14¾ % June 16, 1987	962	962	U.S.	14.375	2,251
July 1	8 % July 1, 1982	900		C	15½ % July 1, 1985	350		C	16.00	
	7½ % July 1, 1982	1	901	C	15 % July 1, 1987	400	750	C	15.37	2,100
August 1					16 % August 1, 1984	150		C	16.00	
					15½ % February 1, 1987 ⁽⁵⁾	600	750	C	15.58	2,850
September 1					14½ % September 1, 1985	200		C	14.67	
					14¼ % September 1, 1987 ⁽⁶⁾	650	850	C	14.47	3,700
October 15	8 % October 15, 1982	475		C	12¾ % October 1, 1985	150		C	12.85	
	10¾ % October 15, 1982	200		C	13 % October 15, 1987	450		C	13.00	
	12¼ % October 15, 1982	150	825	C	13½ % October 15, 1992	400		C	13.69	
	5 % October 15, 1987 ⁽³⁾	1	1	U.S.	13¾ % March 15, 2000	300	1,300	C	13.90	4,174
November 1					12 % November 15, 1987	200		C	12.00	
					12¾ % November 15, 1992	500	700	C	12.75	4,874
November 22					10¾ % October 1, 1985	175		C	10.75	
					11¾ % December 15, 1992	525	700	C	11.75	5,574
December 1	5¾ % January 1, 1985 ⁽²⁾	2		C						
	5 % October 1, 1987 ⁽²⁾	4	6	C						5,568
December 15	11¾ % December 15, 1982	875	875	C	10¾ % October 1, 1985	350		C	10.82	
					11 % December 15, 1987	325		C	11.33	
					11¾ % December 15, 1992	575	1,250	C	12.01	5,943

(1) Extendible at the option of the holder to February 1, 1992.

(2) Partial redemption for purchase funds.

(3) Partial redemption for sinking funds.

(4) Extendible at the option of the holder to July 1, 1992.

(5) Extendible at the option of the holder to February 1, 1992.

(6) Extendible at the option of the holder to September 1, 1992.

Source: Bank of Canada and Department of Finance.

Reference Table 83

Changes in Marketable Securities and Canada Savings Bonds Outstanding 1975 – 1982

	1975	1976	1977	1978	1979	1980	1981	1982
(Millions of dollars)								
Net new issues:								
Canadian dollars:								
Government of Canada — mar-								
ketable securities ⁽²⁾	1,345	3,481	6,415	6,225	8,874	12,701	4,617	8,969
Canada Savings Bonds	2,664	755	1,660	1,933	- 1,329	- 1,331	8,069	8,026
Total Government of Canada								
issues	4,009	4,236	8,075	8,158	7,545	11,370	12,686	16,995
Provinces and municipalities ⁽³⁾	3,114	3,751	4,068	4,569	3,778	7,044	5,181	3,339
Corporations	3,460	2,447	6,297	10,130	5,621	6,393	7,270	2,376
Total Canadian dollar issues	10,583	10,434	18,440	22,857	16,944	24,807	25,137	22,710
Foreign currencies:								
Government of Canada	- 37	- 2	- 2	2,315	726	- 2	357	1,330
Provinces and municipalities	3,395	5,239	3,004	1,609	1,387	135	5,373	5,183
Corporations	623	2,819	1,916	1,493	1,670	2,876	4,437	3,895
Total foreign-pay issues	3,981	8,056	4,918	5,417	3,783	3,009	10,167	10,408
Total net new issues	14,564	18,490	23,358	28,274	20,727	27,816	35,304	33,118
Taken up by:								
Bank of Canada	841	573	1,852	1,741	1,708	2,339	1,125	- 1,033
Chartered banks	- 21	1,507	2,005	3,927	- 174	854	2,935	925
Non-bank holders:								
Marketable securities	7,001	7,486	12,655	17,648	17,757	24,551	12,796	13,463
Canada Savings Bonds	2,664	755	1,660	1,933	- 1,329	- 1,331	8,069	8,026
Holders of Canadian foreign pay....	4,079	8,169	5,186	3,025	2,765	1,403	10,379	11,737
Total bond issues	14,564	18,490	23,358	28,274	20,727	27,816	35,304	33,118

(1) January to September.

(2) Includes Canada treasury bills.

(3) Excludes securities bought by the Canada Pension Plan.

(4) Includes only Government of Canada securities.

Source: Bank of Canada and Department of Finance.

Reference Table 84
Mortgage Loan Approvals
1976 – 1982

	1976	1977	1978	1979	1980	1981	1982
(Millions of dollars)							
Residential							
Private lenders							
NHA	4,444	6,207	4,446	4,147	3,410	3,108	3,418
New	3,225	3,936	2,093	1,586	1,330	1,722	1,643
Existing	1,219	2,271	2,353	2,561	2,080	1,386	1,775
Conventional.	5,741	8,396	9,441	9,902	8,578	6,082	7,256
New	2,515	2,685	3,324	3,983	3,173	2,663	1,555
Existing	3,226	5,711	6,117	5,919	5,405	3,419	5,701
Total private	10,185	14,603	13,887	14,049	11,988	9,190	10,674
New	5,740	6,621	5,417	5,569	4,503	4,385	3,198
Existing	4,445	7,982	8,470	8,480	7,485	4,805	7,476
CMHC	662	363	289	22	22	29	21
New	616	326	254	15	16	18	4
Existing	46	37	35	7	6	11	17
Total residential	10,847	14,966	14,176	14,071	12,010	9,219	10,695
New	6,356	6,947	5,671	5,584	4,519	4,403	3,202
Existing	4,491	8,019	8,505	8,487	7,491	4,816	7,493
Total public and private	12,284	17,146	16,655	17,219	14,367	10,796	12,175
Residential	10,847	14,966	14,176	14,071	12,010	9,219	10,695
Non-residential ..	1,437	2,180	2,479	3,148	2,357	1,577	1,480

Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*.

Reference Table 85

**Mortgage Loan Approvals by Private Lending Institutions⁽¹⁾
1977 – 1982**

	1977	1978	1979	1980	1981	1982
	(Millions of dollars)					
Chartered banks	4,690	5,182	5,510	4,793	3,405	4,101
Residential	4,605	4,977	5,205	4,464	3,147	3,869
New	1,762	1,751	1,936	1,660	1,523	960
Existing	2,843	3,226	3,269	2,805	1,624	2,909
Non-residential	85	204	305	328	258	232
Life companies	3,014	2,504	2,865	2,497	1,920	2,051
Residential	1,610	1,200	1,239	1,277	1,054	1,164
New	1,208	853	823	718	647	630
Existing	402	347	416	559	407	534
Non-residential	1,404	1,304	1,626	1,220	866	887
Loan, trust, etc. ⁽²⁾	9,083	8,689	8,822	7,056	5,442	6,002
Residential	8,394	7,719	7,605	6,246	4,988	5,641
New	3,657	2,822	2,813	2,124	2,215	1,608
Existing	4,737	4,897	4,792	4,122	2,773	4,033
Non-residential	689	970	1,217	810	454	361
Total residential	14,609	13,896	14,134	12,106	9,190	10,674
Total non-residential	2,178	2,478	3,148	2,358	1,577	1,480
Total private	16,787	16,374	17,282	14,464	10,767	12,154

(1) Includes NHA and conventional lending.

(2) Includes loan and trust companies, Quebec savings banks, fraternal and mutual benefit societies, pension funds and mortgage investment brokers.

Source: Canada Mortgage and Housing Corporation, *Canadian Housing Statistics*.

Reference Table 86

**Monetary Aggregates and Selected Banking System Statistics
1970 – 1982**

Year	Currency and demand deposits (M1)	Currency and all chequable deposits (M1B)	Currency and all chequable, notice and term deposits (M2)	Currency plus total privately held chartered banks deposits (M3)	Currency and privately held Canadian dollar deposits	General loans	Canadian dollar major assets	Total personal loans	Business loans	
	(Average of Wednesdays)							(End of period)		
	(Millions of dollars)									
1970.....	9,023	14,716	25,580	32,175	29,022	16,377	28,296	4,935	11,442	
1971.....	10,170	16,074	28,755	35,495	33,215	18,054	32,690	5,861	12,193	
1972.....	11,622	18,098	31,785	40,462	39,087	22,319	39,012	7,202	15,115	
1973.....	13,312	20,256	36,291	46,510	44,335	27,438	45,684	9,064	18,374	
1974.....	14,551	21,405	43,554	58,014	53,137	33,618	54,752	10,774	22,846	
1975.....	16,557	23,465	50,118	66,610	62,460	39,117	63,445	12,838	26,279	
1976.....	17,883	24,922	56,414	78,860	73,096	46,611	74,020	15,518	31,093	
1977.....	19,377	26,700	64,343	91,344	84,264	54,204	85,680	18,362	35,842	
1978.....	21,318	29,039	71,194	103,821	94,276	60,565	98,298	21,169	39,398	
1979.....	22,813	30,471	82,395	123,898	112,230	72,527	117,084	24,550	47,984	
1980.....	24,228	31,781	97,263	141,586	130,308	87,020	133,535	27,709	59,313	
1981.....	25,255	32,800	111,377	158,931	150,716	109,226	159,106	31,635	77,618	
1982.....	25,760	33,676	127,718	182,550	173,009	121,935	186,149	31,798	90,148	
	(Per cent change)									
1970.....	2.4	-4.1	6.8	—	5.5	3.9	5.2	5.1	3.4	
1971.....	12.7	9.2	12.4	10.3	14.4	10.2	15.5	13.3	6.6	
1972.....	14.3	12.6	10.5	14.0	17.7	23.6	19.3	22.9	24.0	
1973.....	14.5	11.9	14.2	14.9	13.4	22.9	17.1	25.9	21.6	
1974.....	9.3	5.7	20.0	24.7	19.9	22.5	19.8	18.8	24.3	
1975.....	13.8	9.6	15.1	14.8	17.5	16.4	15.9	19.2	15.0	
1976.....	8.0	6.2	12.6	18.4	17.0	19.2	16.7	20.9	18.3	
1977.....	8.4	7.1	14.1	15.8	15.3	16.3	15.8	18.3	15.3	
1978.....	10.0	8.8	10.7	13.7	11.9	11.7	14.7	15.3	9.9	
1979.....	7.0	4.9	15.7	19.3	19.0	19.8	19.1	16.0	21.8	
1980.....	6.2	4.3	18.0	14.3	16.1	20.0	14.1	12.9	23.7	
1981.....	4.2	3.2	14.5	12.3	15.7	25.5	19.1	14.2	30.9	
1982.....	2.0	2.7	14.7	14.8	14.8	11.6	17.0	0.5	16.1	

Source: Bank of Canada, *Review*, monthly.

Reference Table 87
Canadian Marketable Securities
Supply of Securities and Distribution of Holdings
(Flows)
1972 – 1982

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982 ⁽¹⁾
	(Millions of dollars)										
Supply of securities											
Short-term securities											
Government of Canada treasury bills	331	556	938	561	1,602	2,350	2,673	2,282	5,451	-55	2,014
Junior government treasury bills and notes	36	-72	-55	294	-86	-317	259	-67	293	154	553
Other short-term paper	272	872	2,744	304	1,149	790	2,368	3,867	5,555	253	2,992
Long-term securities											
Government of Canada bonds	30	-225	801	716	1,768	3,785	5,764	7,616	7,202	5,760	4,703
Bonds issued by non-financial corporations	2,245	1,797	3,093	5,544	7,485	6,026	4,789	4,421	3,496	6,758	5,259
Bonds issued by financial corporations	863	750	1,457	2,112	2,132	2,028	1,563	474	2,141	5,381	2,401
Bonds issued by public corporations	638	822	584	686	1,546	1,027	1,046	991	351	1,437	739
Stocks	15	34	-1	1	521	560	470	825	1,070	1,713	1,184
Foreign investment	659	1,288	1,266	1,687	1,171	3,011	7,923	6,203	7,100	8,166	1,824
Total	-244	-69	-46	17	-79	-221	-25	582	114	-95	-140
Total	4,845	5,753	10,781	11,922	17,209	19,039	26,830	27,194	32,773	29,472	21,529
Distribution of holdings											
Residents	3,652	5,047	8,898	7,041	7,665	13,466	21,943	22,791	26,287	16,013	10,865
Bank of Canada	590	608	1,103	734	637	1,749	1,706	1,606	2,242	1,121	-2,210
Chartered banks	148	-82	1,545	-123	1,504	3,581	7,183	48	-910	3,386	418
Near banks	187	65	-52	595	523	1,340	1,155	1,281	3,234	1,382	2,792 ⁽²⁾
Insurance and pension institutions	2,146	2,287	2,318	3,633	4,023	4,420	5,959	8,351	9,595	10,448	6,143
Other private financial institutions	269	-247	712	730	1,311	772	1,315	699	1,159	242	-143
Other residents	311	2,416	3,272	1,472	-333	1,604	4,625	10,806	10,966	-566	3,865
Non-residents	1,193	706	1,883	4,881	9,544	5,573	4,887	4,403	6,486	13,459	10,664

(1) January to September.

(2) Consolidates all wholly and majority owned subsidiaries of Quebec savings banks.

Source: Department of Finance and Bank of Canada.

Selected Interest Rates: Canada-United States 1970 - 1982

Years	Canada					United States				
	Bank rate	3-month Treasury Bills	Government of Canada bonds: over 10 years	Prime corporate paper: 90 days	Bank prime lending rate	5-year conventional mortgage rate	Discount rate	Federal funds	Commercial paper: 90 days	Bank prime lending rate
(Annual average, in per cent)										
1970	7.13	5.99	7.91	7.34	8.17	10.45	5.94	6.98	8.11	7.81
1971	5.19	3.56	6.95	4.51	6.48	9.43	4.83	4.66	5.17	5.69
1972	4.75	3.56	7.23	5.10	6.00	9.21	4.50	4.48	4.83	5.29
1973	6.13	5.47	7.56	7.45	7.65	9.59	6.54	8.80	8.55	8.17
1974	8.50	7.82	8.90	10.51	10.75	11.24	7.85	10.42	10.33	10.75
1975	8.50	7.39	9.03	7.94	9.42	11.43	6.21	5.84	6.26	7.73
1976	9.29	8.87	9.18	9.17	10.04	11.78	5.46	5.07	5.31	6.81
1977	7.71	7.33	8.70	7.47	8.50	10.36	5.52	5.62	5.75	6.88
1978	8.98	8.68	9.27	8.83	9.69	10.59	7.54	8.05	8.32	9.17
1979	12.10	11.69	10.21	12.07	12.90	11.98	10.38	11.32	11.44	12.79
1980	12.89	12.79	12.48	13.15	14.25	14.32	11.75	13.21	13.03	15.44
1981	17.93	17.72	15.22	18.33	19.29	18.15	13.42	15.96	15.89	18.75
1982	13.96	13.66	14.26	14.15	15.81	17.90	10.92	11.95	12.12	14.69
(Last Wednesdays, per cent)										
1982 J	14.72	14.34	15.94	14.90	16.50	18.21	12.00	13.98	14.27	15.75
F	14.74	14.58	15.01	15.00	16.50	18.97	12.00	13.96	14.13	16.50
M	15.11	15.07	15.06	16.15	17.00	19.41	12.00	14.99	15.20	16.50
A	15.32	14.98	14.75	15.50	17.00	19.28	12.00	14.72	14.49	16.50
M	15.32	15.18	14.72	15.60	17.00	19.11	12.00	13.70	13.68	16.50
J	16.58	16.33	16.03	17.05	18.25	19.10	12.00	14.81	15.22	16.50
J	15.60	15.25	15.62	15.65	17.25	19.22	11.50	11.02	12.22	16.00
A	14.26	13.70	13.96	14.20	16.00	18.72	10.50	9.04	9.29	13.50
S	13.18	12.73	13.48	13.10	15.00	17.49	10.00	10.12	10.33	13.50
O	11.53	11.21	12.63	11.45	13.75	15.75	9.50	9.44	9.02	12.00
N	10.87	10.72	12.18	10.95	13.00	14.75	9.00	8.91	8.76	11.50
D	10.26	9.80	11.69	10.25	12.50	14.75	8.50	8.79	8.84	11.50

Source: Bank of Canada, *Review*, Monthly.

SEP 25 1984

